

EXHIBIT 1

AGREEMENT

between

HORIZON AIR INDUSTRIES, INC.

and the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Covering

Pilots

Effective December 14, 2010 through December 14, 2015



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SECTION 1: RECOGNITION, SCOPE

A. Recognition

In accordance with the certification R-6407 made by the National Mediation Board, the Company hereby recognizes the Union as the duly designated and authorized representative of the Pilots in the employ of the Company for the purposes of the Railway Labor Act, as amended.

B. Scope

Except as otherwise provided in this Agreement, all present and future revenue flying (including charter flights and that international flying which originates or terminates within the United States or its possessions) and all Ferry Flights (not including Ferry Flights of newly-acquired aircraft prior to being placed in revenue service) and Operational Check Flights (OCF), (except OCF flights Assigned to Management Pilots) in and for the service of the Company shall be performed by Pilots on the Pilots' System Seniority List in accordance with the terms and conditions of this Agreement or any other applicable agreement between the Company and the Union.

C. Parallel Operations Restricted

1. Additional Air Carrier Operations. The Company shall not establish any new airline or acquire a controlling interest in any carrier, whether directly or through a subsidiary, and maintain it as a separate carrier for the purpose of conducting regional air operations of the type then performed by Horizon Air Industries, Inc. A "controlling interest" for purposes of this Section means the ownership of an equity interest representing more than fifty percent (50%) of the outstanding capital stock of an entity or voting securities representing more than 50% of the total voting power of outstanding securities then entitled to vote generally in the election of such entity's board of directors or other governing body.

2. Transfer of Assets

a. The Company shall not transfer aircraft to any other air carrier or entity in which it has or obtains a controlling interest, if those aircraft are to be flown in revenue operations, whether pursuant to a joint venture, code share, marketing agreement or otherwise, by Pilots not on the Horizon System Seniority List.

b. The Company shall not transfer routes, operating authority or other assets to any other air carrier or entity, in which it has or obtains a controlling interest, for the purpose of evading the terms of this Agreement, or if an effect of the transfer, direct or indirect, is a Furlough of Pilots on the Horizon System Seniority List.

c. Nothing in paragraph a or b above is intended to preclude the Company from selling or otherwise disposing of aircraft or other assets, so long as the Company derives no continuing economic benefit from the continued operation or utilization of such aircraft or assets.

D. Subcontracting

1. "Subcontracted Revenue Flying" as used in this Agreement shall refer to transactions in which the Company contracts for another carrier and its pilots to perform flying covered by the Scope provisions of paragraph B of this Section 1, other than "Wet Leases" complying with the provisions of paragraph C of this Section 1 or code-sharing or marketing agreements.

2. Except for the irregular operations enumerated below, or unless compelled to solely due to circumstances over which the Company does not have control as specified in paragraph 3 below, the Company will not engage in Subcontracted Revenue Flying without the prior written agreement with the Union. "Irregular operations" shall be passenger and/or cargo accommodation due to flight cancellations in the normal course of business (e.g., weather, mechanical or other operational reasons), accommodations of passengers and/or cargo pursuant to standard industry practices (e.g., over bookings), chartered cargo requirements in excess of scheduled operations lift capabilities, and flights with chartered Equipment for the exclusive purpose of transporting parts or personnel to repair aircraft.

3. The Company may engage in Subcontracted Revenue Flying solely due to circumstances over which the Company does not have control, for a time not to exceed the duration of the circumstance beyond the Company's control or six (6) months, whichever is less. Circumstances beyond the Company's control shall be an act of nature; grounding or repossession of a substantial number of the Company's aircraft by a government agency or a court; loss or destruction of the

Company's aircraft; involuntary reduction in flying operations due to either a decrease in available fuel supply or other critical materials for the Company's operation; revocation of the Company's operating certificate(s); war emergency; or a substantial delay in the delivery of aircraft scheduled for delivery.

E. Wet Leases

If the Company's operational requirements necessitate the Wet Lease of additional aircraft, the following will apply:

1. **Union Notification.** The Company will notify the Union not less than three (3) Days prior to the commencement of any Wet Lease of more than fifteen (15) Days. The notification will include the reason(s) for the Wet Lease, the aircraft to be utilized, the hours of flying, the duration, and the effect of the Wet Lease on the Pilots.
2. **Duration of Wet Lease.** A Wet Lease will not exceed ninety (90) consecutive Days provided the Company has sufficient aircraft and Pilots to perform the flying.
3. **No Reductions.** No Pilot covered by this Agreement on the date of any Wet Leases will be Reduced in Status or suffer any reduction in wage rates or benefits as a result of the Wet Lease Agreement.

F. Foreign Bases

1. The Company shall not establish any Pilot Base outside the United States, without providing advance, written notice to and bargaining with the Union at least one hundred and twenty (120) Days prior to commencing operations at such Base.
2. In the event the Company opens a Pilot Base outside the United States, Pilots covered by this Agreement who are Assigned to such Base shall remain covered by all terms of this Agreement and shall continue to enjoy all the rights, privileges and immunities of the Railway Labor Act while so Assigned to the extent permitted by applicable law.
3. Disputes concerning Pilots at foreign Bases who are covered by this Agreement (regardless of the origination/destination of their flying) shall be heard by the System Board of Adjustment pursuant to Section 25 of this Agreement, and the decision of the System Board in such cases shall be enforceable in any

court of competent jurisdiction in the United States to the same extent and in the same manner as other cases arising pursuant to Section 25 of this Agreement and/or this Section, to the extent permitted by applicable law.

G. Information Sharing

Subject to an appropriate confidentiality agreement, if necessary, the Company shall provide to the Union information and operational data reasonably necessary to monitor compliance with this Agreement.

H. Expedited Board of Adjustment Procedures

The Company agrees to arbitrate any grievance filed by the Union alleging a violation of Sections 1 and/or 3 of this Agreement on an expedited basis directly before the System Board of Adjustment sitting with a neutral arbitrator mutually acceptable to both parties selected as provided in Section 25, System Board. The dispute shall be heard no later than thirty (30) Days following the submission to the System Board (subject to the availability of the arbitrator), and shall be decided no later than thirty (30) Days following submission, unless the parties agree otherwise in writing.

SECTION 2: DEFINITIONS

ACTIVE STATUS means being on the payroll of the Company and subject to work Assignment as a Pilot. It includes time on vacation or sick leave except when either is paid for time off during a leave of absence or Furlough. It excludes time on leave of absence or Furlough.

ACTUAL DUTY TIME means the time that a Pilot actually is on Duty as opposed to the time a Pilot is scheduled to perform Duty.

AGREEMENT means this Collective Bargaining Agreement between the Company and the Union.

ADMIN DAY means a calendar Day during which a Pilot performs any project or administrative duties, other than performing training or checking duties, at the request of the Company.

AIRCRAFT DELIVERY FLIGHT means a flight conducted at the request of Flight Operations management as directed by Crew Scheduling for the purpose of taking delivery of a new aircraft or an aircraft that will be new to the existing Horizon Air fleet.

ASSIGN(ED) means to contact a Pilot to perform any activity at Company direction

ASSIGNMENT means any activity, scheduled or unscheduled, Assigned by the Company or Awarded to a Pilot through a bid process to include a flight Assignment, Deadhead Assignment, or training (including home-based training).

AVAILABLE DESIGNATED DUTY DAY (AVL) means a Day(s) placed on a Regular Lineholders line of time to designate a Pilot's obligation for additional SCH during the SAP process.

AWARD(ED) means when a Pilot receives the result of a bidding process.

BASE means the airport designated by the Company from which a Pilot's Duty Assignments begin and end unless otherwise stated in this Agreement.

BID AWARD means the Award from a bidding process.

BID AWARD (FINAL) means the Bid Award that sets a Pilot's schedule for a Bid Period.

BID FORM (Reduction, Permanent Bid) means the paper or electronic means of denoting a Pilot's preference or priorities in the event of a Vacancy or Reduction Bid

BID PERIOD denotes the time frame in Days that coincides with a Pilot's schedule.

BID PACKAGE means the schedule of all Pilots that includes Trip information for each Seat Position (e.g., Captain and First Officer), each aircraft type (i.e., Q400), and each Base, for a Bid Period, including but not limited to, all Regular Lines of time, Reserve Lines of time, open flying, training, layovers, and similar information. It will contain, but not be limited to, all known revenue trips/flights and all Reserve Assignments. The Bid Package shall be electronically presented each Bid Period to the Pilots for bid purposes

BLOCK HOUR means sixty (60) minutes of Block Time.

BLOCK-IN TIME means the time an aircraft comes to a final stop on the ramp for the purpose of ceasing flight operations.

BLOCK-OUT TIME means the time an aircraft begins movement on the ramp for the purpose of commencing flight operations.

BLOCK TIME (Block to Block) means the time measured from the Out Time to the In Time for a flight segment.

BOARD OF ADJUSTMENT (SYSTEM) means a panel of Union and Company representatives that are a part of the grievance resolution process. The panel may include a third party neutral.

COMPOSITE LINE means a line that is constructed in accordance with the terms of this Agreement that may include Reserve Assignments and flight Assignments.

CONTINUOUS DUTY OVERNIGHT (CDO) means a Duty period that begins before midnight and ends after midnight and has a scheduled stopover with a hotel room provided.

COMPANY means Horizon Air Industries, Inc., dba Horizon Air.

DAY means a calendar Day commencing at 0001 local Base time and ending at 2400 local Base time.

DAY OFF means a calendar Day free from all actual or prospective Duty while at the Pilot's Base unless otherwise stated in this Agreement.

DEADHEAD means travel to or from a Duty Assignment by air.

DEADHEAD TIME means the period of time during which Deadhead is performed.

DISPLACE(D)/DISPLACEMENT means the replacement of a less senior Pilot in a Status by a more senior Pilot when accomplished in accordance with the provisions of this Agreement.

DOWNGRADE(D) means when a Pilot is Reduced from his Seat as a Captain and is Awarded a Seat as a First Officer.

DUTY means performance of an activity Assigned by the Company.

EQUIPMENT or **EQUIPMENT TYPE** means the designation of an aircraft manufacturer and model as such is used by the Company for Vacancy or Displacement bidding purposes.

FERRY FLIGHT means a flight conducted at the request of Horizon Air Maintenance as directed by Crew Scheduling, as procedurally outlined in the Horizon Air Flight Operations Manual, for the purpose of moving an unairworthy aircraft from an airport to another airport where repairs are to be made.

FLIGHT DUTY means when a Pilot performs any Duty in an aircraft, including but not limited to Aircraft taxiing, Line Flying, Deadheads for the Company, Operational Check Flights, Repositioning Flights and Ferry Flights, or Aircraft Delivery Flights.

FURLOUGH means the removal of a Pilot from Active Status by the Company due to a Reduction, or the period of time during which such a Pilot is not in an Active Status of the Company as a Pilot due to such Reduction.

GOLDEN DAY(S) means a Day designated by a Pilot bidding a Reserve Line that denotes a Day that shall not be adjusted during an initial bid integration.

IN TIME The time the aircraft parks after completion of a flight.

JUNIOR MANNING/ASSIGN(MENT) means the involuntary Assignment of a Pilot to Duty on a Day Off.

LINE CHECK means the checking of a Pilot by the FAA or a designated Company Check Airman that is accomplished during normal revenue flying.

LINE FLYING means any activity related to the conduct of a revenue Trip. This includes all preflight and post flight activity required by the Company for each Duty Period of that Trip.

LOFT means Line Oriented Flight Training

LONGEVITY means the time in Active Status that is used for calculation of pay.

LONG CALL RESERVE means a Reserve Lineholder that is Awarded a Long Call Reserve Line and is subject to the stipulations of Section 9, Reserves.

LOSS OF PAY means a reduction in his minimum pay guarantee for

the Bid Period, or loss of the credit value of trips missed. (Where this Agreement indicates a Pilot will be excused without, or with no, Loss of Pay, the Pilot will not have his guarantee reduced for the period the Pilot is unavailable, and he will be given credit for the value of trips missed.)

MINIMUM GUARANTEE (PAY) will be calculated pursuant to 5.I

OPEN TIME means a Trip Pairing or portions thereof which remain unassigned and are made available to be bid upon or Awarded through the Schedule Adjustment Periods or Open Time processes.

OPERATING EXPERIENCE (OE) means FAA mandated Operating Experience.

OPERATIONAL CHECK FLIGHT means a flight that is conducted at the request of Horizon Air Maintenance as directed by Crew Scheduling for the purpose of verifying the effectiveness of repairs or modification to a Horizon Air aircraft prior to entering that aircraft into revenue service. Only actions, processes, maneuvers, or procedures found in the Flight Standards Manual for normal operations of the aircraft are performed by the flight crew.

OUT-OF-BASE RESCHEDULING means a change in Pilot's Trip or Trip Pairing in which a Pilot does not originate or pass through his Base.

OUT TIME The time an aircraft first moves for the purpose of flight (begins either push back or taxi).

PILOT means an employee on the Horizon Pilot Seniority List and who is a Captain or a First Officer. A Captain is the Pilot in command of an aircraft and a First Officer is the second in command of an aircraft.

PILOT'S MINIMUM GUARANTEE means the minimum compensation for a Pilot during a specified period of time.

POSITION means a Pilot's classification as either Captain or First Officer in an Equipment Type.

PROFICIENCY CHECK means a periodic checking event required by FAR part 121.

PROTEST PERIOD means the time period when a Pilot may challenge his bidline as a result of errors or omissions.

REDUCE means the removal of a Pilot from his Status due to his lack of sufficient seniority to retain such Status.

REDUCED CREDIT LINE means a bid line that is reduced in

Scheduled Credit Hours in accordance with the provisions of this Agreement.

REDUCTION means the process under which a Pilot is removed from his Status due to his lack of sufficient seniority to retain such Status.

REDUCTION BID FILE means the file kept by the Company either electronically or by other means that records the Reduction bid of a Pilot.

REGULAR LINE means a work line indicating Company Duty and designated time off Duty with the Company during a specific Bid Period and no Reserve obligations. Regular Lines as shown in the Bid Package and as initially Awarded shall not include Reserve Assignments.

REPOSITIONING FLIGHT means a flight that is conducted at the request of Horizon Air Dispatch as directed by Crew Scheduling for the purpose of moving an airworthy aircraft that is in service in the Horizon Air fleet from one airport to another. A Repositioning Flight is conducted as a non-revenue flight.

RESCHEDULE(D) means an involuntary change to a Pilot's scheduled Assignment on an originally scheduled work Day. A Reschedule also includes the cancellation of any or all portions of a scheduled Assignment.

RESERVE AVAILABLE DAYS (RAD) means Days that a Pilot is available for Reserve Duty.

RESERVE means a Pilot on a Reserve Availability Day (RAD) with a current or prospective responsibility to the Company for Duty Assignment(s).

RESERVE DUTY means the period of time in which a Pilot is obligated to remain available to the Company for the purpose of being Assigned a Trip Pairing .

RESERVE LINE means a work line indicating Company Duty and designated time off Duty with the Company during a specific Bid Period. Reserve Lines as shown in the Bid Package shall not include flight Assignments during any Bid Period.

RESERVE PERIOD means that portion of a RAD that a Pilot has the present responsibility for work should the occasion arise.

RESERVE PILOT means a Pilot who is Awarded a Reserve Line or Assigned Reserve Duty.

RESERVE REST PERIOD means that portion of a RAD that a Pilot is free from actual work for the Company or from the present responsibility for work should the occasion arise.

REST PERIOD means that portion of a Day or Trip that a Pilot is free from actual work for the Company or from the present responsibility for work should the occasion arise.

RETIRE(MENT) occurs when a Pilot that (1.) terminates his employment with Horizon Air at the age at which FAA regulations preclude his flying in scheduled Part 121 operations or (2.) terminates employment with Horizon Air in accordance with Company policy.

SCHEDULE ADJUSTMENT PERIOD (SAP) means a period of time preceding the bid month when a Pilot's schedule may be modified in accordance with the adjustment procedures of this Agreement for the purpose of restoring a Pilot to guarantee, above guarantee, and modifying the lines as previously Awarded.

SCHEDULED CREDIT HOURS (SCH) means the credit hour value of a Trip Pairing as calculated in accordance with this Agreement and published in the associated Trip Pairing itinerary (e.g. Trip Credit).

SCHEDULING COMMITTEE means the Union committee selected at the discretion of the Union for scheduling purposes to include the construction of pairings and lines for a bidding process for the Pilots that operate under the terms and conditions of this Agreement.

SCHEDULE SOLUTION means the schedule composed in the pairing and line construction process using the aircraft flows and staffing available that shall be utilized in developing Bid Packages.

SEAT means a Pilot's classification as either Captain or First Officer.

STATUS means a Position that a Pilot holds in an Equipment Type at a particular Base at a specified time (e.g., FO, Dash 8 Boise: CPT, F28 Seattle).

SUPERVISED LINE FLYING (SLF) means Company or FAA mandated Operating Experience.

TRAINING IN LIEU (OF PROFICIENCY CHECK) means periodic training conducted in accordance with the FARs that satisfies the requirement for a Proficiency Check.

TRANSITION means the lateral movement of a Pilot between Equipment Types (e.g. FO Dash 8 to FO F28; CPT F28 to CPT Dash 8).

TRIP (for planning/line building/Bid Package content) all Trips must begin and end at the Pilot's Base.

TRIP (for actual operations) with Pilot's consent, Trips may begin and/or end in or out of a Pilot's Base.

TRIP DROP means a voluntary change in a Pilot's schedule such that a Trip Pairing (s) or portion thereof or Reserve Duty period is removed from a line of time.

TRIP or **TRIP PAIRING** means a flight or flight Assignment, or series of flights or flight Assignments, and/or Deadheading as part of a Duty Assignment, that make up a Pilot's activities from the time he reports for Duty at his Base until his first return to his Base.

TRIP TRADE means a voluntary change in a Pilot's schedule such that Trip Pairings or portions thereof or Reserve Duty periods are exchanged between Pilots or between a Pilot and Open Time.

UNION means the International Brotherhood of Teamsters, its Airline Division and its Local 1224.

UPGRADE means the promotion of a Pilot from First Officer to Captain.

VACANCY means when a Position is unfilled and is available for bidding by a Pilot.

SECTION 3: MERGERS AND ACQUISITIONS

A. Acquisition or Merger

1. In the event the Company acquires or merges with another air carrier, except as may be agreed pursuant to paragraph 3 below, flying operations will not be consolidated or merged until the seniority lists of the two pilot groups are integrated in accordance with Sections 3 and 13 of the Allegheny-Mohawk Labor Protective Provisions; and

a. During the implementation and resolution of paragraph b below, the Company, or its successors in interest, shall assume the obligation of this Agreement as to the Pilots represented by the Union prior to the acquisition until it is changed in accordance with the Railway Labor Act and as set forth in this section.

b. The respective Pilot collective bargaining agreements (if applicable) are merged into one (1) agreement as the result of negotiations between the Union and the Company. If a fully merged agreement is not executed within six (6) months from the date a final and binding integrated pilot system seniority list is issued, the parties shall jointly submit outstanding issues to binding interest arbitration; and

c. The Company and the Union meet to negotiate an appropriate fence agreement pending the merger.

2. No Pilots in the bargaining unit on the date of acquisition of or merger with another company which employs pilots or has a lease agreement for pilots will be Reduced in Status or lose any income or employee benefits as a result of such acquisition or merger.

3. All other terms and conditions of this Agreement remain in full force and effect unless changes are mutually agreed to between the Union and the Company.

4. Subparagraphs a and b of paragraph 1 above, and paragraphs 2 and 3 above, shall be applicable until paragraph 1 above is resolved.

B. Representation

In the event of a merger of Horizon Air with another air carrier which results in creating a single air carrier within the meaning of the

Railway Labor Act, as amended, representation shall be determined in accordance with the Railway Labor Act.

C. Notice of Acquisition or Merger

1. If the Company or any other parent or subsidiary of the Company, enters into an agreement of acquisition or merger with any other air carrier that operates or plans to operate a similar operation, i.e., regional air carrier operations, it shall notify the Union in writing within three Days after the execution of the acquisition or merger agreement.

2. The Company must give written notice of the existence of this section of this Agreement to any carrier or other entity which has control of or acquires control of another air carrier with which the Company enters into agreement of acquisition or merger. A copy of this written notice shall be provided to the Union within three Days after the parties have signed the agreement of acquisition or merger.

D. Integration of Equipment and Operations

As pertains to the Company, Equipment represents aircraft operated by the Company and operations means flying that involves the crewmembers of the Company.

SECTION 4: MANAGEMENT RIGHTS

A. Unless expressly abridged by a specific provision of this Agreement, the management of the Company; the direction and control of the work force; the right to determine the methods, processes and schedules of operation; the right to alter, change, or discontinue its operation, partially or completely; the right to determine the location of the business; the right to determine the size and Assignment of the work force; the right to determine the qualifications (including the abilities, specific skills, work habits as demonstrated by prior job performance, and experience) for specific positions, the right to suspend, demote, discipline and discharge employees for cause; the right to establish standards of performance and to determine whether any individual meets such standards; the right to establish, eliminate, amend and require Employees to observe Company rules and regulations; the right to determine the means of providing service to its passengers, including the size, type and number of aircraft to be utilized in providing service; the right to determine what Equipment will be utilized and allocated to particular routes; the right to transfer Equipment from one Base to another; the right to determine whether to purchase additional aircraft or to lease, sell or otherwise dispose of all or any part of its Equipment; the right to determine whether to merge, consolidate, sell, or otherwise disposes of all or part of its business, shall be the right, solely and exclusively of Company.

B. The foregoing enumeration of rights is not intended to be all inclusive, but is intended to be representative of the type of rights normally inherent to Company. Company's not exercising rights, powers, authority and function reserved to it or its exercising them in a particular way shall not be deemed a waiver of such rights, power, and authority.

SECTION 5: COMPENSATION

A. Pay Scales

1. Hourly pay rates are set forth in Appendix A.
2. First Officers will be paid by seniority. The most senior First Officers, equal in number to the number Assigned and qualified to staff the highest paying Equipment will be placed on the highest paying Equipment pay scale for aircraft being operated by the Company, regardless of the type Equipment being flown. The most junior First Officers, equal in number to the number Assigned and qualified to staff the lowest paying Equipment for aircraft being operated by the Company, will be placed on the lowest paying Equipment scale, regardless of the type Equipment being flown. If there are more than two Equipment Type pay scales, First Officers who are neither the most junior nor the most senior will be placed on those pay scales, based on their seniority, in the same manner as described above.
 - a. Each First Officer will be Assigned to one of the First Officer pay scales effective as of the first Day of each five-week Bid Period and he shall be maintained on that pay scale for the duration of the Bid Period. A Pilot who is Assigned to a higher pay scale shall remain on that pay scale unless the decrease in Positions is due to a Reduction per Section 17 of this Agreement. The number of First Officers on each Equipment scale shall be the sum of:
 - (1) The number of First Officers Assigned to, and qualified on, that Equipment on the first Day of the Bid Period; and
 - (2) The number of First Officers Assigned to, and scheduled to be qualified on that Equipment on or before the 18th Day of the Bid Period.
 - b. First Officers who are in training, but not scheduled to be qualified on their Equipment on or before the 18th Day of the Bid Period will continue in their current Positions for the purpose of establishing the number of First Officers in each pay group until re-evaluated for the subsequent Bid Period.
 - c. New-hire First Officers who are hired during a Bid Period, or who are in training but not scheduled to be qualified in any Equipment on or before the 18th Day of that

Bid Period shall be counted as being on the lowest First Officer pay scale.

3. Pilots will be paid an hourly rate set forth in Appendix A for the applicable guarantee and/or credit hours set forth in the Minimum Guarantee Pay and Credit Hour System provisions of this section.
4. Except as provided in paragraph 3 above, when a Pilot's change in Position places him on a different scale, the higher pay rate will begin when he has successfully completed OE and his line-check for the new Position.
5. When a Pilot's change in Position will place him on a lower paying scale, the new lower paying scale will begin thirty (30) Days following the effective date of his departure from his current Position.

B. Minimum Guarantee Pay

A Pilot who is available for an entire Bid Period will be guaranteed the following minimum pay:

1. Minimum Bid Guarantee: Regular Lines will have a 80.5 credit hour pay guarantee. Composite Lines, Reserve Lines, Pilots receiving training, and Assigned lines for Pilots providing training will have a minimum credit hour pay guarantee of 86.3 credit hours per five-week Bid Period.
2. The Minimum Bid Guarantee will be reduced for absences that are not protected from Loss of Pay.
 - a. If the Pilot is eligible to bid (See the Scheduling Section, Bidding and Awarding of Schedules), the reduction will be the credit value of the trips missed in the Bid Period or, 3.92 credit hours per RAD.
 - b. When a Pilot is available for Flight Duty for less than a complete Bid Period and not eligible to bid because of an unpaid absence, such as leave of absence, the guarantee will be prorated. A Pilot will not have his guarantee prorated as a result of paid training, paid vacation, paid sick leave or other paid time off.
3. Trip Guarantee: If a Pilot is Rescheduled per Section 8.H or has any post publication change to his schedule to include being released and sent home, the Pilot will be credited with the

greater of the original Trip Credit value or the Credit value of the Rescheduled or changed Trip(s).

4. Pilots bidding a Reduced Credit Line shall have Trip Pairing(s) dropped in accordance with Section 8, Scheduling. The Minimum Guarantee will be reduced by the amount of time the monthly line value falls below the Minimum Guarantee.

C. Credit Hour System

1. Pilots will be paid for credit hours over their guarantee on a five-week Bid Period basis.

2. Credit hours shall consist of:

a. Block, Duty and Trip Time. When a Pilot performs Flight Duty, excluding Pilots undergoing training (except OE), he shall be credited with the greater of the following on a Trip by Trip basis:

(1) 100% of the Block Time (as defined in C.2.b.(1) below), of every Trip and/or Deadhead segment a Pilot flies.

(2) 50% of the Duty Time.

(3) 25% of the Trip Time (Time Away from Base).

(4) 4:00 hours for any Trip that begins and ends in one Duty period.

(5) Taxi Credit: .25 SCH for each occurrence. Taxi Credit shall be earned anytime an aircraft is taxied for any reason other than for the purpose of flight. In addition, anytime a Pilot performs Duty such as engine runs, assisting a tow team from the flight deck, or any other such Duty Assigned by the Company, he shall receive the credit.

(a) Scheduled Taxi: The Taxi Credit will be included in the published Trip Pairing .

(b) Unscheduled Taxi: The Taxi Credit will be in addition to the credit value of the Trip in which the Unscheduled Taxi took place.

(c) An Airport Reserve is excluded from accumulating Taxi Credit while sitting Airport Reserve.

(6) Split Trips

In the event a Trip is split to accommodate a Pilot's availability the following is used to determine the SCH:

(a) If the Trip is split as a result of a Pilot's request, both the portion that is Awarded to the requesting Pilot and the remaining portion of the Trip which will be placed into Open Time will be paid as set forth in C.2.a.(1) above.

(b) If the Trip is split by the Company in order to solicit offers to pick up the Trip, the Credit Value for each portion of the Trip will be determined as set forth in C.2.a.(1) – (4) above.

(c) Should the remaining portion of a Trip split as set forth in C.2.a.(6)(a) above be Assigned to a Pilot the credit value for that portion of the Trip will be determined as set forth in C.2.a.(1) – (4) above.

b. For purposes of computing Block, Trip and Duty Times, the following definitions apply:

Block Time: the greater of Scheduled Block Time or Actual Block Time.

Actual Block Time: Actual Block Time is measured from the Out Time to the In Time for a flight segment with no averaging or modification.

Scheduled Block Time: Scheduled Block Time is determined by using the average of Actual Block Times per flight segment by type of Equipment. All averages will be rounded to the nearest minute.

(1) Scheduled Block Times

(a) Scheduled Block Times shall be determined in accordance with (i) through (iii) below.

(i) Scheduled Block Times shall be reviewed by a Joint Company/Pilot Committee every four months (using the prior twelve (12) months) to determine if any adjustments are to be made. Adjustments will be made when the average varies from the established segment time by

more than ten percent (10%) or five (5) minutes.

(ii) When a new route is established, for which no Scheduled Block Time has been computed, published marketing schedule times will be utilized initially. After ninety (90) Days of operation or one hundred fifty (150) segments, by Equipment Type, whichever is greater, the simple average of all Block Times during such initial period of operation will become the established Scheduled Block Time.

(iii) Minutes added to scheduled Block Times to compensate for busing operations at airports where passengers board the aircraft at a location that is remote from the passenger terminal will not be considered part of scheduled Block Times.

(b) Flights on routes where no Scheduled Block Time exists (e.g. unscheduled flights, charters and Ferry Flights), mechanical acceptance flights, and diversions will be credited on the basis of Actual Block Time.

(c) Diversion means a take off and return to field, or a landing at an airport other than the one scheduled at the time of departure.

(2) Duty Time means the period of time measured in hours and minutes starting when a Pilot is scheduled to report for a Duty period, or actually reports for Duty, whichever is later, and ending when he is released from Duty.

(3) Trip Time means the total time of an Assigned Trip, measured in hours and minutes, beginning when a Pilot is scheduled to report for Duty, or actually reports for Duty, whichever is later, for the Trip and ending when he is released from Duty at the conclusion of the Trip.

c. Credit values

(1) Deadhead Time. Deadhead Time between a Pilot's Base and Flight Duty as described in "Block Time, Duty Time and Trip Time" above shall be counted as Block Time in determining a Pilot's credit hours for the Trip.

(2) Airport Reserve Standby Credit. The time that a

Pilot is on Airport Standby scheduled by the Company shall count as Trip time and Duty time.

(3) Reserve Day Credit for Composite and Reserve Line Holder. A Composite Line Holder shall receive the greater of 3.92 credit hours or the credit hours applicable to Duty performed for each Reserve Day. A Reserve Line Holder shall receive a minimum of 2.0 hours credit for each Day of Airport Reserve scheduled pursuant to the Reserve Section.

(4) Admin Day Credit. A Pilot shall receive the greater of the credit value of trips missed or 4.50 credit hours for each Admin Day that is substituted for other Duty in his bidline. If a Pilot's bidline is constructed with Admin Days, the credit value shall be 4.50 credit hours per Admin Day.

(5) When a Pilot is Assigned to work away from his Base in situations for which pay is not covered by any specific provision of this Agreement, such as aircraft pickups or providing training at a manufacturer's facility, he shall receive 4.5 credit hours for each Day of the Assignment, including travel Days. For any Day of such Assignment away from Base on which he has Assigned Duty in an aircraft (e.g., aircraft acceptance flight or aircraft delivery flight) he will receive the greater of 4.5 credit hours or the number of credit hours equal to his actual Block Hours flown.

(6) Cancelled Reserve Trip Credit. 2.0 credit hours. See Section 9.H.2. Reserves, Cancelled Reserve Trip Assignment.

(7) Cancelled Trip Credit for a Trip Assigned on a Day Off: A Pilot shall receive 2.0 credit hours at 150% his rate of pay for any Trip that was Assigned on a Scheduled Day Off and subsequently cancelled prior to his report time. If the Pilot checks in and the Trip is cancelled, the Trip Guarantee per B.3 of this Section will apply.

(8) Vacation See Section 13

Regular Line holder: Trip value

Composite and Reserve Line Holder: 3.92 (17.26 cr. hrs. weekly)

(9) Sick Leave See Section 14

Regular Line holder: Trip value

Composite and Reserve Line Holder: Trip value or
3.92 per RAD.

D. Training Pay

1. A Pilot in training shall be paid no less than the minimum monthly guarantee, except as it may be prorated pursuant to this Section.
2. Training Categories:
 - a. Recurrent Training: A Pilot shall be paid and credited 4.0 hours of applicable hourly pay for each Day he attends recurrent training scheduled for more than 4.0 hours. For each Day he attends such training scheduled for 4.0 hours or less, he shall be paid and credited 2.0 hours of applicable hourly pay.
 - b. Other than Recurrent Training: A Pilot shall be paid and credited 4.0 hours of applicable hourly pay for each Day he attends ground training or flight training. For each Day he attends ground or flight training for one (1) hour or less, he shall be paid and credited for the actual training time.
3. If the training was not published in the Final Schedule and it causes a Trip(s) on the Pilot's line to be dropped, he will receive the greater of the pay and credit provided in paragraph D.2 above, or the value of the Trip(s) missed pursuant to B.3 of this Section.
4. If a Pilot is Assigned to a Proficiency Check that was not scheduled on the Final Schedule, he will be paid and credited for each flight pay hour(s) of his originally scheduled Trip(s) if such total exceeds the training pay and credit in this paragraph D.
5. A Pilot shall be paid and credited for Line Checks and OE pursuant to this Section.
6. If a Duty period involves only Deadheading to or from training, a Pilot shall be paid and credited the value of the training Day pursuant to paragraph D.2 above.
7. If a Pilot performs training on the same Day he performs other scheduled Duty, he will be paid and credited for the other

scheduled Duty in addition to his training pay.

8. If the Company elects to use any method of training such as "home study" that does not involve a formal ground school to comply with the FAA ground school requirements, a Pilot will be paid and credited one (1) hour at his applicable hourly rate for each 2.0 hours of FAA-approved training credit earned in home study.

9. A Day of training that begins on one Day and continues after 2400 but ends before 0101 plus the debrief time on the following Day (0200 including the debrief time) will be considered to have occurred on the previous Day.

E. Instructors and Check Airmen Compensation

1. Credit Hours:

a. Block Time, as defined in this Section, for Instructors and Check Airmen, shall include the scheduled simulator time for all simulator Duty performed and aircraft time for all aircraft training performed in cities to which the Company provides scheduled service or on aircraft operating within the area of Horizon's scheduled flight operations.

b. Deadhead Time for all flight training Assignments, including simulator Assignments, performed by Instructors and Check Airmen in cities to which the Company provides scheduled service or on aircraft operating within the area of Horizon's scheduled flight operations shall be calculated and credited the same as for Flight Duty when calculating Block Time.

c. Instructors and Check Airmen performing training or checking in a Horizon classroom or any other Horizon facility except an aircraft or simulator shall receive four (4) credit hours for each training Day.

2. Additions to pay scale pay rates for performing Assigned duties:

a. Instructors and Check Airmen shall receive the following additional compensation:

	Annual Override	Add-on for actual OE/ Line Check Block Hours, *Simulator/Aircraft training Block Hours, **SPT/Oral Exam/Classroom Instruction hours performed are as follows:
a. A P D	\$4,000	\$18
b. Flight Instructor	\$4,000	\$15
c. Check Airman	\$3,000	\$15
d. Part-time S P T Instructor		\$10
e. Part-time Classroom Inst.		\$10
f. C R M Lead	\$3,000	\$15
g. Part-time CRM Instructor		\$10
h. FMS/Technical Lead	\$3,000	\$15
i. Part-time FMS Instructor		\$10
*Hourly add-on for the actual simulator / aircraft training Block Hour(s) performed shall also include an additional 2 hours of add-on compensation for preflight and post flight briefings. The additional 2 hours for preflight and post flight briefings are a maximum on a per Day basis.		
** Hourly add-on for each actual hour of SPT, Oral or Classroom instruction Duty performed.		

3. Pay Schedule for Additional Check Airmen Compensation:
 - a. The “annual override” will be paid in 26 biweekly installments at the same time as the Pilot’s guarantee pay.
 - b. The “Add-On” pay will be paid with the Pilot’s Additional Credit Hour pay.
4. The above “annual override” and “add-on” amounts are minimum amounts and the Company may pay more than the above amounts if necessary to attract and retain qualified individuals, provided all Pilots similarly situated are treated equally.
5. Check Airman and Instructors will be scheduled for a minimum of fifteen (15) Days off in a Bid Period.
6. The Pilot’s Check Airman override will cease at midnight on the Day prior to the Day in which he returns to Line Flying.

F. Pay For Working On a Day Off

(Junior Manning, Open Trip or Duty Continuing Into a Day Off)

1. A Pilot will be paid above guarantee for 100% of the credit hours earned for Open Time trips worked on a Day Off except where 2. below applies:
2. A Pilot will be paid above guarantee for 150% of the credit hours earned on a Day Off in the following cases:
 - a. A Reserve Assigned a Trip that continues into a scheduled Day Off.

- b. A Pilot who is Rescheduled into a Day Off.
- c. A Pilot who is Junior Manned.
- d. A Pilot who picks up an Open Time Trip if posted as a "150% Trip".

3. Carryover work from a prior Day that was originally scheduled to end prior to 2400 hour local, will not be considered work on a Day Off provided the Pilot's actual release time is at or before 0200 local time.

4. Additional pay credit hours will be determined as provided in Section 5.C (Credit Hour System) above.

5. Pilots Assigned Duty continuing into a Day Off will have the credit for the Day Off portion of the Trip calculated as a separate Trip paid above guarantee at 150% credit. The separate Trip's credit value will be determined through a new calculation beginning at midnight on the Day Off portion of the Trip. The separate Trip will have a minimum credit value of 4 credit hours, paid at 150% credit.

G. Per Diem

1. A Pilot will be paid per diem at the following rates per Trip Hour for Assignments away from Base:

Domestic and Route Structure: \$1.75* annually

* Per Diem rate to be increased an additional \$.05 when crew meal program is discontinued.

2. Hourly Per Diem pay rates shall be the same for all Pilots regardless of the Seat Position or aircraft flown.

3. Per Diem will commence at the scheduled or actual show time, whichever is later, and end at the actual release time at Base.

H. Pay Schedule

1. A Pilot will be paid by direct deposit into an account for that Pilot with a financial institution of the Pilot's choice. No Pilot shall, as a condition of direct deposit, be required to authorize the Company to make any additional financial transactions with the Pilot's bank or financial institution.

2. Pilots will be paid on two pay cycles, one for Minimum Guarantee Pay and another for additions to, or reductions in, Minimum Guarantee Pay, additional Credit Hour System Pay, pay for Working on a Day Off and per diem.
 - a. The Company will make direct deposit biweekly for 34.52 hours of guarantee pay unless there is a proration as described in Minimum Guarantee Pay above. Payment for a two week period will occur one week following completion of the two week period.
 - b. The Company will make direct deposit for the remainder of a Pilots Minimum Guarantee Pay, Additional Credit Hour System Pay, Pay for Working on a Day Off and Per diem, less any reductions in Minimum Guarantee Pay, no later than the fifth Friday following the end of the Bid Period.
3. The payment statement, which shall be made electronically available for direct deposit payments, shall detail the Pilot's pay, deductions, sick leave, and vacation time.
4. Should a payday fall on a holiday direct deposits shall be issued on the immediately preceding business Day.
5. Any Company pay errors in excess of one hundred dollars (\$100) will be rectified within three (3) working Days from notification.
6. A Regular Line holder whose Final Bid Award is in excess of 86.3 SCH shall have his biweekly paycheck based on 34.52 hours as in 5.H.2.a above.
7. A Regular Line holder whose Final Bid Award is not in excess of 86.3 SCH shall be subject to the biweekly paycheck proration process on 5.I.2 below.

I. General

1. When a Pilot holds a Captain's Status, but is Assigned First Officer duties, such Pilot will be paid at the applicable Captain rates.
2. A Pilot who reduces his Minimum Guarantee Pay below 86.3 credit hours in a Bid Period has created an absence not protected from Loss of Pay. In this instance, that portion of the Minimum Guarantee Pay below 86.3 credit hours may reduce the value of the biweekly check by an equivalent amount. Pilots

who reduce their Minimum Guarantee to a value above 86.3 will not have their biweekly check adjusted. (Note: Biweekly checks are normally issued for 34.52 credit hours. This equates to 86.3 credit hours per five week bid).

- a. If the Pilot's projected credit hours for the Bid Period to which that biweekly check relates are less than 86.3, as of the last Day of the biweekly pay period, the biweekly check will be reduced by the amount that the projected credit hours are below 86.3.
 - b. If the projected credit for that Bid Period is restored above 86.3, prior to the end of a subsequent biweekly pay period, the biweekly check for that subsequent pay period will restore the pay for the hours that were previously deducted.
 - c. Projected credit hours means credit hours already earned (from work Assignments, vacation, and sick leave) plus Scheduled Credit Hours for the remainder of the Bid Period (work Assignment, Vacation and Sick Leave).
3. Carry-over Trip Credit Hours. Credit hours for carry-over trips from one bid to the following bid will be prorated between the Bid Periods on the basis of the number of Days in each Bid Period.
4. New hire Pilots shall be paid a salary only, based on 16 credit hours per week until the beginning of the Bid Period following successful completion of OE.
5. When a Pilot is entitled to Longevity, scale or Status pay change, his guarantee and credit hours for the Bid Period will be prorated on the basis of the percentage of Days before and after:
 - a. The date that his Longevity or scale rate changes; or
 - b. In the case of a Status change, the date he begins his next Trip after completion of OE.
6. The Company will not remove seats from any aircraft to affect any terms of this section.

SECTION 6: TRAVEL EXPENSES

A. Lodging

The Company shall designate comfortable and adequate single occupancy lodging at all overnight layover locations, other than the Pilot's domicile.

1. In selecting layover accommodations, the Company will consider the safety and physical security of the premises, the cleanliness and quietness of the rooms, the availability of nearby eating facilities and the recommendations of the Union.
2. The Company will make prompt inquiries into complaints related to deterioration of service at any facility which has been approved for layovers. Prompt remedial action will be taken in those cases where investigation affirms a deterioration of service. The Company will provide acknowledgement / response electronically within 2 weeks utilizing the current IBT electronic hotel form.
3. Company will continue current practice to meet with the IBT Hotel Committee to resolve hotel and transportation issues.

B. Short Term Lodging

If a daytime layover is scheduled to exceed five hours, the Company will provide a Day room (double occupancy for crew members of the same sex).

C. Lodging During Training

During ground school training, newly hired Pilots will be provided double occupancy lodging. All other Pilots shall receive single occupancy lodging while in training overnight away from Base.

D. Payment for Lodging

The Company shall direct bill for lodging or provide an alternative method of payment that relieves the Pilot of responsibility for payment on planned layovers.

E. Ground Transportation

The Company shall provide transportation between airport and lodging facilities and to suitable eating facilities, if no restaurant is in the lodging facility or within close walking distance.

F. Parking

Consistent with such regulations as may be set forth by the applicable airport authority, the Company will pay for airport parking of a Pilot's personal automobile at his Base, or at his option, an alternative airport at which the Company has a Base, including any Base to which he may have been temporarily transferred. If monthly parking is available, the Company will direct pay the appropriate airport authority unless the Pilot and the Company have agreed upon another arrangement.

SECTION 7: HOURS OF SERVICE

A. Scheduling Limitations

The following provisions shall apply to the Awarded bidlines:

1. Rest Periods.
 - a. At his Base, a Pilot will be scheduled with a minimum of ten (10) hours of rest between Duty periods (from release time until next report time).
 - b. When away from Base, a Pilot will be scheduled with a minimum of nine (9) hours of rest between Duty periods (from release time until next report time). If the rest is scheduled for less than 10 hours, the following Duty period will be limited to 10 hours of Duty (except for Deadhead).
 - c. In selecting overnight accommodations, the Company shall endeavor to ensure that local transportation time does not exceed fifteen (15) minutes each way.
2. Duty Time Limitations
 - a. A Pilot will not be scheduled for a Duty period in excess of twelve and one half (12.5) hours (except for CDO and hangar pickup or drop off).
 - b. A Duty period will be scheduled to contain a maximum of eight (8) flying legs.
3. Flight Time Limitations
 - a. Daily Maximum. No more than 8 Block Hours shall be scheduled during any Duty Period.
 - b. Weekly Maximum. No more than 28.5 Block Hours shall be scheduled in a 7-Day period.
 - c. Bid Period Maximum. No more than 105 Block Hours shall be scheduled in a five-week Bid Period.
4. Days Off
 - a. Regular bidlines shall contain at least thirteen (13) Days off at Base in a 35-Day Bid Period.
 - b. Composite bidlines shall contain at least thirteen (13) Days off at Base in a 35-Day Bid Period
 - c. Reserve bidlines shall contain at least thirteen (13) Days off at Base in a 35-Day Bid Period.

- d. A Pilot will not be scheduled to perform any Duty for more than six (6) consecutive Days without a calendar Day Off.

B. Rescheduling Limitations

The following provisions shall apply to the change of Pilot bidlines after such bidlines are Awarded:

1. A Pilot will not be Rescheduled for a Duty period in excess of fourteen (14) hours except that for operational reasons a Duty period may be Rescheduled for a Duty period in excess of fourteen (14) hours only to accommodate a Deadhead to a place of rest.
2. A Pilot will not be Rescheduled to perform any Duty for more than six (6) consecutive Days without a calendar Day Off except that, for operational reasons, Duty may be Rescheduled to end at Base no later than 0200 of a Day without the Duty being considered Duty on that calendar Day.
3. If a Pilot is unavailable for Flight Duty for a portion of a Bid Period and is not Awarded a bidline, his minimum scheduled Days off for the period he is available for work shall be pro-rated.

C. Actual Duty Limitations

The actual Duty periods of a Pilot shall be limited by the federal regulation governing Duty times and rest periods for the flight crew operating the aircraft on which the Pilot is working, unless provided otherwise in this Agreement.

D. Report Time

A Pilot's Duty period shall commence at the later of the Pilot's scheduled report time or his actual report time.

1. The scheduled Report Time shall be one hour before the first scheduled departure of a Duty Period at the Pilot's Base, forty five (45) minutes before the first scheduled departure after a rest period away from Base in the USA, Canada and Mexico (may be reduced to thirty (30) minute report time due to operational reasons).
2. With notice to the Union, the Company may change the scheduled Report Time for selected Duty Periods based on its experience with conditions such as arranging a hangar pickup,

winter operations, or particular airport conditions. At the request of the Union, the parties will meet to evaluate, on a case by case basis, circumstances that might require longer or shorter scheduled Report Times, or Release Times as set forth in Subsection 7.E below.

E. Release Time

A Pilot's Duty period shall be scheduled to end fifteen (15) minutes after the arrival of his last flight of the Duty period except as follows:

1. The Duty Period for a Deadheading Pilot shall be scheduled to end five (5) minutes after arrival.
2. The Duty Period shall be scheduled to end thirty (30) minutes after the arrival of his last flight of the Duty period if clearing of customs and immigration is required.
3. The Duty Period shall be scheduled to end one (1) hour after the arrival of his last flight of the Duty period if there is a hangar drop-off in Portland.

F. Notifications Regarding Assignments (except Reserves and Reserve Assignments)

1. The Company will attempt to notify a Pilot by telephone if his scheduled departure time will be delayed more than one (1) hour or canceled, unless the Company intends to Reschedule him within that period. A Pilot will be notified as much in advance as is practicable after the Company has made a definite decision.
2. The Company will normally not contact an off Duty Pilot between 2200 and 0600 local Base time. The following exceptions apply:
 - a. If there is a change in the Pilot's schedule, the Pilot will be called so as to provide adequate time for the Pilot to adjust for the change, taking into account the time needed by the Pilot to get to the airport, to the extent the Company knows such information and also so as to minimize the disruption of the Pilot's rest.
 - b. A Pilot may be contacted when operational requirements dictate.
3. A Pilot who is unable to report for Duty will notify Crew Scheduling as far in advance as practicable.

4. A Pilot will not be required to keep the Company notified of his whereabouts on his Days off or when on vacation, nor will the Company contact a Pilot on vacation for the purposes of requiring him to perform Duty during his vacation.

SECTION 8: SCHEDULING

A. Scheduling Committee

The Union will establish a Scheduling Committee that will meet with the Company for the purpose of developing cooperative and efficient flight operations

1. All scheduling meetings will be coordinated through the Vice President of Flight Operations, or his designee. A Union representative, a representative from Crew Planning, and a representative from the Chief Pilot's office will attend the meeting. The Union shall determine which Scheduling Committee member is representing the Union for any given meeting.
2. The Company shall provide the Union Scheduling Committee the marketing information for the purpose of building Bid Packages. This information shall be provided to the Union Scheduling Committee no later than the third Friday of the Bid in which it is received by the Company. The information provided to the Scheduling Committee will contain, but is not limited to, pairings, current aircraft flows, Block Time reports, Pilots Assigned for scheduled training and check rides, Check Airmen and/or Instructors that will be conducting Checking or Training, vacations, and leaves of absence (less confidential personal information).
3. The Union Scheduling Committee will construct the Trip Parings and Bid Lines with input from the Company. Therefore, the Union Scheduling Committee shall meet with the Company prior to the construction of each Bid Package to discuss recommendations as to Trips, Trip Pairings, sequencing and grouping of Trips for the ensuing Bid schedule. This meeting shall take place no later than the fifth Monday of the Bid in which the information in Subsection 8.A.2 above is received.
4. The Union Scheduling Committee will adhere to the parameters for scheduling practices established for Trip Pairing and Bid Line construction that have been mutually agreed to in accordance with Subsection 8.A.14 below. The Union Scheduling Committee shall provide the Company with their proposed Bid Package for the following Bid Period no later than nine (9) Days prior to the posting of the Bids.

5. The Union Scheduling Committee shall meet with Crew Planning for the purpose of reviewing the proposed Bid Package no later than seven (7) Days prior to the posting of the Bids. An agenda of topics to be discussed at the scheduling meeting shall be exchanged between the Company and the Union by 1400 local PDX time the business Day before the meeting providing details of any concerns to be addressed at the meeting. The Union and the Company shall alternately chair the meetings.

6. All dates/Days specified in Subsection 8.A as deadlines for events other than Bid Periods as shown in Subsection 8.B shall fall on the business Day preceding the specified Day if the date/Day in question falls on a weekend or holiday. With the agreement of the Company and the Union (EXCO), these deadlines can be extended and will not be unreasonably denied by either party.

7. No mutual agreements between the Scheduling Committee and the Company, reached by accord or otherwise, shall supersede or negate any provisions of this Agreement.

8. All schedules shall be constructed in accordance with the rules contained in this Agreement; however, deviations from these rules may occur only on a Bid by Bid basis with the mutual agreement between the Company and the Union as represented by the Executive Council (EXCO).

9. One (1) member of the Scheduling Committee will be allowed a minimum of ten (10) calendar Days off each month for the purpose of construction of pairings and lines. To provide the support necessary for a functioning Scheduling Committee, the Company and the Union agree that pay and pay credit for any Trip(s) or Trip Pairing (s) dropped for Union business by members of the Scheduling Committee shall be pay guaranteed and compensated by the Company.

10. In conjunction with Subsection 8.A.9 above, the Union shall reimburse the Company for replacement Assignment(s) where Junior Manning was necessary to cover Trip(s) or Trip Pairing (s) dropped as a result of the time off for Union business by members of the Scheduling Committee only if the Company utilized all Pilots on Reserve work Days and no eligible Pilot bids for the Trip(s). Each month, the Company shall send an itemized bill to the Union for any extra compensation incurred (e.g., Junior Assignment) for the replacement of Pilots on time off for Union

business specifically associated with the reasonable Scheduling Committee functions and reasonable staffing under this subparagraph. The billing shall include the employee's name, dates, pairing number, and whether the reimbursement was calculated on the hourly or daily pay rate when Junior Manning is involved.

(Example: A 20.0 SCH Trip is covered by Junior Assignment. The cost to the Union shall be the extra cost above 20.0 SCH. [$20.0 \times 1.5 = 30.0$, $30.0 - 20 = 10.0$. Cost to the Union = 10.0 SCH]).

11. For any meetings not set forth above, that are initiated by the Company, the Union shall not be required to reimburse the Company for Flight Pay Loss that results from the direct participation by members of the Scheduling Committee. Likewise, the Company shall not be required to pay guarantee Flight Pay Loss for any Scheduling Committee member for a meeting initiated by the Union.

12. The Company shall continue to provide a laptop computer and the Advanced Optimization Systems (AOS) software for the exclusive use of the Scheduling Committee. If the Company elects to change vendors for pairing construction, the Company will provide the new software to the Scheduling Committee at the same time that the Company receives it. The Company shall provide the Union Scheduling Committee with training sufficient to become proficient in the use of any new software.

13. In the event that the Union Scheduling Committee is not available for the construction of the Bid Package, as set forth above, the EXCO shall notify the Company in sufficient time to allow the Company to construct the Bid Package. The Company shall adhere to the same parameters for scheduling practices that have been agreed to in Subsection A.14 below.

14.* The Union Scheduling Committee and the Company shall meet to establish mutually agreed upon parameters for scheduling practices that will be employed to manage circadian and fatigue risks. These scheduling practices shall address, but are not limited to, report times, rest opportunities, scientific data regarding fatigue avoidance, current or future FAR requirements, or any other information or fatigue risk management data that is available or will become available. These scheduling practices shall be the used by both the Union and the Company for the

construction of Trip Parings and Bid Lines.

*(Implementation Side Letter) The first meeting to formulate the parameters shall be held within twenty-one (21) working Days after the date of signing of this Agreement and shall be put in place prior to the implementation of this scheduling system and the construction of the first schedule.

B. Bidding and Awarding of Schedules

1. The Company shall provide a computer-based program that will be the sole means for Pilots to conduct the following via the Internet:

- a. 35 Day Schedule bidding
- b. Designation of Reduced Credit Line
- c. Trades with another Pilot
- d. Trades with Open Time
- e. Open Time pickups
- f. Vacation bid Awards and trades
- g. Trip Drops

2. The Company shall continue to provide computer facilities and printers at all Bases for Pilot use in connection with paragraph a, above. The Company shall ensure that all on-line stations during regular business hours have computer facilities for Pilot use at the station or at the RON hotel. Computer facilities available for Pilot use shall be a selection criteria for all RON hotels.

3. Bid Packages shall be made available via the internet. The Company will make available a limited amount of printed Bid Packages in each Base. Upon request the Company will provide a printed Bid Package.

4. If the Company should implement a computer access system which requires a separate fee, such fee will be paid by the Company.

5. 35 Day Bid Timeline

- a. 1200 Third Wednesday of the 35 Day Bid Period. Initial Bid Packages come out. Seniority bid triangle posted. Pilots intending to Bid for a Reduced Credit Line shall designate

his preference during the initial Bid. In addition, Pilots due for checking/training will bid for that checking/training.

(1) Reduced Credit Lines

(a) A Pilot bidding a Reduced Credit Line may not have a Bid Line with a value less than fifty-six (56.0) Scheduled Credit Hours. The number of Reduced Credit Lines available shall be no less than five percent (5 %), rounded up to the next whole number, and no greater than ten percent (10 %), rounded up to the next whole number, of the published full time lines (by Status) for each Bid Period. The Company may limit the offer of Reduced Credit Lines, by Status, for three (3) Bids in a rolling ten (10) Bid Period, to meet Company needs. The Union shall be advised of the need to restrict the number of Reduced Credit Lines.

(Example: 44 full time bid lines would provide no less than three Reduced Credit Lines).

(b) Reduced Credit Line preferences shall be designated by Pilots on the Initial Bid Triangle.

(c) The Pilot's Minimum Guarantee for the Bid will be paid in accordance with Subsection 5.B.4

(2) Training bidding process

(a) A list of Pilots Assigned for checking/training and dates/times available for checking/training will be included in the bid packet. The list shall include:

(i) All Pilots Assigned for a Proficiency Check/ Training in Lieu of Proficiency Check and the month their checking/training is due.

(ii) All Pilots Assigned for Recurrent Ground School and the month their training is due.

(iii) The list of Pilots Assigned for a Proficiency Check/Training in Lieu of Proficiency Check or Recurrent Ground School shall include any month that the bid encompasses, as well as, at least one additional month encompassed in the next bid (i.e., Bid 227 packet lists Pilot names for

September, October, and November. Bid 227 starts on September 19th, 2010 and ends on October 23rd, 2010).

(iv) The list of all of the dates and times available for Proficiency Checks/Training in Lieu of Proficiency Check during the bid.

(v) A list of all available dates for Recurrent Ground School during the bid and the number of training positions available for each class date.

(vi) The Company shall ensure that there are enough checking/ training dates and times available to accommodate the number of Pilots that are due for checking/training in any given bid.

(b) Each Pilot must bid for their checking/training in the month that it is Assigned.

(c) All checking/ training bids will be Awarded in Seniority order.

(d) If a Pilot fails to bid for checking/training or fails to bid a sufficient number of bids for checking/ training, the Company shall Assign checking/training from published available dates/times that are unbid.

(e) If a Pilot is unable to attend or the Company is unable to provide the checking/training event that has been Awarded and no opportunity exists for the Pilot to utilize the bidding process and have his checking/training completed before becoming unqualified the Company shall Assign a time/date for checking/ training to ensure the Pilot remains qualified.

(f) 1200 Fourth Monday of the 35 Day Bid Period - Initial Bid Period closes. Preliminary Awards Posted. Protest Period begins.

(i) A Pilot Bidding a Reduced Credit Line will designate Trip Pairing (s) to be dropped exclusive of training and blackout dates as defined in Subsection 8.E.1.b.(5) below.

(ii) A Pilot Bidding a Reduced Credit Line

may drop SCH below Minimum Guarantee not to reduce below 56.0 SCH. Crew Planning will not build these lines back to the Minimum Guarantee.

(g) 1200 Fourth Tuesday of the 35 Day Bid Period - Protest Period Ends. 24 hour period for Integration Procedures and designation of Golden Days begins.

(h) 1200 Fourth Wednesday of 35 Day Bid Period - 24-hour period for designation of Golden Days – integration procedures end. Initial Awards Posted.

(i) 1200 Fourth Thursday of 35 Day Bid Period - Integration Protest Period Starts.

(j) 1200 Fourth Friday of 35 Day Bid Period - Protest Period Ends.

(k) 1800 Fourth Friday of 35 Day Bid Period - SAP1 begins.

(l) 1200 Fifth Sunday of 35 Day Bid Period-SAP1 ends – Open Time Awarded/re-posted.

(m) 1800 Fifth Sunday of 35 Day Bid Period-SAP2 begins.

(n) 1200 Tuesday following start of Schedule Adjustment Period 2-SAP2 ends. Composite blackout starts. The Composite Blackout is the time period in which the Composite Lines of time are built. During this period, no Trip Trades, Trip Drops, or Open Time Awards for the upcoming 35 Day Bid Period will be processed.

6. 1200 Thursday following start of SAP2 - Build-Up blackout ends – Final Lines including Composite Lines will be posted.

7. Eligibility to Bid

a. A Pilot attending Initial, Transition, Upgrade or Differences training that includes an OE requirement, will not bid a schedule for the Bid Period if

(1) the OE portion of the training is scheduled to occur during the Bid Period, or;

(2) if three calendar weeks or more of training are scheduled.

b. When neither of the a.(1) or (2) above apply, the Pilot will bid a schedule, and all Trips that conflict with the training will be dropped.

c. A Pilot not eligible to bid will receive their schedule at the same time as all other Pilots.

d. A Pilot will not bid in a Bid Period where he is scheduled for leave (other than paid vacation) in excess of fifteen (15) Days of the Bid Period.

e. A Pilot, who is on an approved leave will be eligible to bid if he will be available for more than twenty (20) Days of the Bid Period. In the case of a medical leave, the Pilot must provide the Company with a medical determination specifying a definite return date by which he will again be able to perform the functions of his job without limitations on a regular basis.

8. Training/Checking/Management/Project Pilot (Lines constructed for Flight Instructors /Check Airmen/Managers)

a. All Check Airman/Flight Instructor lines:

(1) will contain no less than 15 Days off.

(2) will be constructed from flying that is remaining after all Regular Lines have been finalized.

b. Prior to the formulation of the Bidlines, the Company shall provide to the Union Scheduling Committee a list of all Pilots that will be performing Training, Checking, or Projects as described in Subsection 8.C.1.h below. These Pilots shall not be eligible to bid.

c. Management/Project Pilot lines shall be constructed from flying that remains after all Regular, Check Airman/Flight Instructor, and Composite Lines have been finalized. If insufficient flying time is available to fulfill the needs of these Pilots, the provisions in Subsection 8.I.5 below will be followed.

9. Other Lines

a. Pilots who need to satisfy consolidation requirements shall be Assigned in Seniority order the lowest numerical Regular Line that is not Bid. In the event that no Regular

Line is unbid, the highest numerical Line shall be constructed and Assigned to the Pilot(s).

b. Pilot's who are returning from an approved Leave of Absence and are ineligible to bid, per Subsection B.7.d of this Section, will be Assigned a Line commencing on the date of return using Open Time and AVL Days up to their prorated Minimum Guarantee until such time as they become eligible to Bid.

10. A Pilot failing to make a sufficient number of bids or failing to meet the deadline will be Assigned the lowest unbid numerical line at the Pilot's Base after all bidders' preferences have been Awarded. If more than one Pilot fails to bid, the remaining lines will be Assigned in descending order of seniority commencing with the lowest unbid numerical line.

11. A Pilot who will be on vacation or leave of absence when the bidding process begins, and is unable to bid electronically shall call Crew Planning to coordinate submitting their bid requests.

C. Contents of the Bid Package

1. Bid Packages will contain:

a. Regular Lines by Status, constructed from all known flying that can be constructed into Trips. However, when constructing monthly schedules, up to five percent (5.0%) of the Scheduled Credit Hours in each Status may be withheld. All withheld SCH will be available for SAP1 and SAP2 bidding processes.

b. An anticipated number of Composite Lines, which will be left blank.

c. An anticipated number of Reserve Lines with Days off and Reserve Available Days (RADs). The number of planned Reserve Lines shall be constructed to satisfy that required for adequate Reserve coverage needed for Trip Trades or Trip Drops per Subsection 8.J.1.

d. All Awarded and available vacation time.

e. RON information, including hotels, ground transportation, etc.

f. A list of Pilots who are due for recurrent training or check rides and dates for recurrent ground schools.

- g. The Trip key, including flight times, Duty times, report times, release times, and credit values, as applicable.
- h. The names of all Pilots who will be precluded from Bidding
- i. The names of all Pilots that will be Assigned lines to fulfill consolidation requirements.

2. All Regular Lines shall be created in accordance with Subsection C.1.a above and the following:

- a. A planned sequence of Trips with intervening Days off, arranged in a schedule for the Bid Period. Report times, as described in Section 7.B.1, in a bidline shall be grouped as either early*, midday*, or late*. In circumstances where it is not possible to comply with the terms of this paragraph, the proper circadian risk management practices, as established in Subsection A.14. of this Section, shall be followed. In addition, these Trips shall be annotated in the Bid Package.

(* early, midday, late TBD by appropriate Trip and Line construction practices)

- b. No Reserve Duty.
- c. Days off at Base.
- d. A minimum of 80.5 credit hours.
- e. A maximum of 105 Block Hours.
- f. A maximum average of 100 Block Hours which includes the two preceding Bids.
- g. Only Trips that commence and end at the Pilot's Base.
- h. A regular Bidline containing single Days off, other than single Days off on the first Day or the last Day of the Bid Period, also will have a block of three (3) or more consecutive Days off for every such single Day Off.

3. Composite Lines

- a. Composite Lines shall be blank when published in the Bid Package. These lines shall be constructed after the completion of SAP2 and after the construction of the Check Airman and Flight Instructor lines using all remaining Trips in Open Time. Composite Lines will also contain Days Off and may contain Reserve or AVL Days.
- b. At least 2 Days off will separate blocks of Trip Pairings

except for the first and last Day of the Bid Period.

c. Composite Lines must contain some Trips and Reserve/AVL Days or all Trips in addition to Days off except as specified in paragraph C.3.f. below.

d. The Company will construct Composite Lines with as many Trips as possible not to exceed a maximum of 105 Block Hours.

e. Composite Lines may contain charters.

f. Reserve Days may be built into the Composite Lines.

g. If the number of Composite Lines is less than anticipated, additional Reserve Lines will be constructed but will still be considered Composite Lines for bid Award purposes.

h. The numerically lowest Composite Line(s) will be those with the fewest (or no) Reserve Days.

4. Reserve Lines (straight Reserve Lines)

a. Reserve Lines will be published in the Bid Package and constructed to show Reserve Days and Days Off.

b. It may be necessary to adjust Days off in Awarded Reserve Lines in order to provide adequate Reserve coverage during the final bid Award. If so, the Company will adjust a minimum required number of lines in reverse seniority order of the Pilots who are Awarded the lines, and the adjusted lines shall have Days off as specified in paragraph C.4.c. below.

c. No single Days Off or single Reserve Days except for the first and last Day of the Bid.

d. Days off on a Reserve Line shall contain at least one (1) three (3) Day Off period and contain no more than one single Day Off period between Reserve Days.

e. Reserve Days will be grouped in blocks of RADs that have consistent start times through the entire Bid.

5. Recurrent Training or Checking to be accomplished during the Bid.

a. The names of all Pilots who are due for recurrent training or checking shall be published and they will be eligible to bid for training.

- b. All Recurrent Ground School (RGS) sessions for the Bid will be published for Bid.
- c. All simulator sessions for recurrent Proficiency Checks or Training in Lieu of Proficiency Check will be published for Bid.
- d. Recurrent Training or Checking bids will be Awarded in Seniority order.

D. Bid Period Integration

1. Transition integration

Transition integration will be accomplished as follows:

- a. If the newly Awarded 35 Day bid has a Trip Pairing that conflicts with a Trip Pairing in the current Bid Period, the Trip Pairing in the new Bid Period will be removed.
- b. If the newly Awarded 35 Day Bid Period causes the Pilot's scheduled Block Time to exceed twenty-eight and one half (28.5) hours in seven (7) consecutive calendar Days, Trip Pairing(s) will be adjusted in the new 35 Day Bid Period to reduce the scheduled Block Time to twenty-eight and one half (28.5) hours or less. The adjustments in the new 35 Day Bid Period will be such that it results in the minimum loss of SCH.
- c. If the newly Awarded 35 Day Bid Period has a conflict due to the six (6) Day in a row restriction in Section 7, Hours of Service, the conflict will be resolved by removing the Trip Pairing (s) in the new 35 Day Bid Period in order to resolve the conflict with the minimum loss of SCH.
- d. The SCH of Trip Pairings removed in accordance with paragraphs a through c, above, will be deducted from the line value (i.e., the Pilot will not be credited/paid for such removed Trip Pairing s).
- e. Notwithstanding the minimum Days off provisions in Section 7.A.4, if the current 35 Day Bid Period's Trip Pairing runs into a Day Off in the newly Awarded 35 Day Bid Period, the Day Off will not be restored. However, if a Pilot has a Trip Pairing in the current 35 Day Bid Period that runs into a Day Off and he is Awarded a Reserve Line of time in the new 35 Day Bid Period, the Day Off will be restored later in that month. Such restored Day Off must be attached to a block of Days off.

2. Vacation Integration

Vacation integration will follow the procedures in Subsection 13.D and E of this Agreement.

3. Training Integration

Training integration will be made in accordance with the following:

- a. If a Trip Pairing(s) conflicts with a scheduled training period, the Trip Pairing(s) will be removed and the SCH value of said Trip Pairing(s) will be deducted from the line value (i.e., the Pilot will not be credited with/paid for such removed Trip Pairing(s)).
- b. Should a scheduled training Period occur on a Day(s) Off, any Day(s) Off restored in order to comply with the minimum Days Off provisions in Section 7, Hours of Service, must be attached to a block of Day(s) Off.
- c. Specific training Days for affected personnel will be identified in the 35 Day Bid Package. If the training Days are not identified in the Bid Package and training is subsequently Assigned, the Pilot will be compensated in accordance with Section 5.D.3. If such training results in the Pilot being scheduled for less than the minimum Days off specified in Section 7, Hours of Service, the Days Off will be restored during the current 35 Day Bid Period. The portion of the Trip Dropped to restore the Day(s) Off will be at the Company's discretion but such restored Day(s) Off must be attached to a block of Days Off.

4. Military Duty/Leaves of Absence

Whenever a Pilot is required to perform military Duty and he notifies the Chief Pilot's Office as soon as possible of the specific Days on which he is scheduled for Military Duty, he will have such Trip Pairing (s) removed from his schedule and deducted from his line value. A Pilot who has been Awarded any other Leave of Absence will have Trip Pairing(s) that conflict with the Leave of Absence removed from his schedule and deducted from his line value. If Trip Pairing(s) dropped in accordance with this Paragraph take the 35 Day Bid Period line value below the minimum guarantee, that minimum guarantee will be reduced by the amount of time the monthly line value falls below the guarantee, except as otherwise provided in this Agreement.

5. Operating Experience/Supervised Line Flying (OE/SLF)

a. A First Officer who receives a Trip Pairing(s) that will be required for OE/SLF, will, prior to the Final bid Award, have his Trip pairing(s) dropped and will be scheduled for Duty after construction of the Check Airman Lines as follows:

- (1) On the same block of Day(s) he was originally scheduled for Duty; and
- (2) He will not be required to report for Duty more than two (2) hours prior to his originally scheduled report time on his first Day of work; and
- (3) He will not be scheduled for release from Duty more than four (4) hours after his originally scheduled release time on his last Day of work; and
- (4) He will not be Scheduled to Reserve; and
- (5) If he cannot be Scheduled due to the restrictions outlined in 1 through 4, he will be relieved of all Duty and credited with the value of the affected Trip Pairing(s).
- (6) When the Pilot has his schedule adjusted, the Pilot will have his line value credited with the greater SCH of his original, or the Rescheduled Trip Pairing, in accordance with Section 5, Compensation.

E. Scheduled Adjustment Period (SAP)

1. SAP – General

a. The Schedule Adjustment Period (“SAP”) consists of two (2) phases (SAP1 and SAP2) where a Pilot’s schedule may be modified following the integration procedures specified in this Section. All open Trip Pairing(s), including all unassigned Reserve Duty periods from the integration procedures and the initial withheld Trip Pairing(s) from the initial bid line construction will be available in SAP1, anything leftover in SAP2 and if not picked up, or Assigned within the parameters of this section, will be carried over into the Open Time process.

b. The following restrictions apply to SAP modifications:

- (1) Excepting a Pilot Bidding for a Reduced Credit Line, a Pilot’s line value may not drop below Guarantee.
- (2) Trip Trade parameters in this Section apply.

(3) A Pilot's schedule may not be modified so as to create a conflict.

(4) A Pilot may not pick-up or trade for a Trip Pairing(s) which occurs during or overlaps a vacation period during the SAP process. Such Open Time Awards will be made after the completion of the 35 Day bid process and in accordance with the Open Time or Trip Trade provisions of this Section.

(5) SAP Blackout Dates are as follows: Independence Day, Thanksgiving Day and the Day after, Christmas Eve and Christmas Day, New Years Eve and New Years Day.

2. Participation in SAP

a. A Pilot Awarded a Regular Line of Time may participate in SAP1 and/or SAP2 as noted below.

b. A Pilot who, in accordance with this Section, does not bid due to long-term training will not participate in SAP. Upon completion of the long term training, the Pilot may, at his option participate in the Trip Add/Drop/Trade process.

c. A Pilot whose line value falls below Minimum Guarantee for a given month as a result of starting or returning from a Leave of Absence greater than fifteen (15) Days, and, as a result, does not bid for a line of time in accordance with this Section, participates in SAP as follows:

(1) An effective value for the time spent on leave that month will be calculated using four (4) hours per each Day of leave. The Days on leave will be considered as Monday through Friday for each week or portion thereof of the leave. Such effective value will be subtracted from 80.5 hours to determine the SCH value the Pilot is obligated to recover in order to receive a prorated guarantee the rest of the month.

(2) A Pilot who is obligated to recover SCH per Paragraph (1) above, will have his SCH obligation satisfied during SAP1 with Open Time and/or AVL Days. Further participation in SAP after the Pilot's SCH obligation is satisfied is at the Pilot's option.

(3) A Pilot who is not obligated to recover any SCH per Paragraph (1) above may, at his option, participate in SAP to the extent otherwise permitted by this Section.

3. Phase 1 SAP (SAP 1)

SAP 1 Awards will be made using the following procedures (excluding Reduced Credit Lines):

- a. All Pilots whose line values have fallen below Minimum Guarantee will first be Awarded sufficient open Trip Pairing(s), beginning with the highest value available Trip Pairing requested, in seniority order to bring them up to or above guarantee. Such Pilots will be limited to picking up additional Trip Pairing (s) except that a Trip Trade request will be Awarded if it involves dropping a single Trip Pairing; said Trip Pairing conflicts with the Trip Pairing being picked up, and the requested trade brings the Pilot to or above Minimum Guarantee.
- b. All Pilots whose line values have fallen below Minimum Guarantee and who have not participated sufficiently in SAP1 will have Trip Pairing(s) and/or AVL Day(s) Assigned by the Company to his line to bring the line value up to or above Minimum Guarantee. Such Trip Pairing(s) or AVL Day(s) will be Assigned without regard to any maximum number of Days to be added that the Pilot may have designated on his SAP bid. The minimum value pairing(s) will be used to bring the line above guarantee. For example, a Pilot ten (10) hours below Minimum Guarantee may be Assigned one (1) 11-hour or three (3) 4-hour Trip Pairings in lieu of a 24-hour pairing.
- c. After the procedures in Paragraphs a. and b. above, are completed, all Pilots will be regrouped in seniority order. Pilots will then be Awarded Trip Trades and additional Open Time Trip Pairings in accordance with this Section and in seniority order up to the maximum number of Days designated in the SAP Bid Form.

4. Phase 2 SAP (SAP2)

SAP2 will be conducted using the following procedures:

- a. Requests to pick up Open Time or Trip Trade will be Awarded in accordance with this Section and on a first-come-first-served basis.
- b. The computerized bid Award system will Award Open Time and Trip Trade requests on a "real-time" basis. However, until such time as the computerized bid Award system is available, Crew Scheduling will complete SAP2

transactions at least hourly except that between the hours of 2300 and 0500 transactions will be placed in time order but not processed until 0500.

F. AVL Duty Designated (AVL) Days

1. The Company may place an AVL Day(s) on a Composite or Regular Line of time to designate an obligation for additional SCH to bring the line value to at least guarantee, if necessary. The number of AVL Days to be placed on a line is determined by the difference between the line value and guarantee divided by four (4), rounded up (e.g., a 70 hour Regular Line would get 4 AVL Days – $80.5 - 70 = 10$, $10/4 = 2.5$; 2.5 is rounded up to 3.0 hrs; $3.0 \text{ hrs} \times 4 \text{ AVL Days} = 12$. $70 + 12 = 82$, which brings the Pilot to a credit line value above guarantee.) The use of an AVL Day(s) insures that the Pilot shall receive his Minimum Guarantee of 80.5 credit hours or as prorated in accordance with this Agreement
2. AVL obligations may be satisfied as follows:
 - a. At any time during the month, a Pilot may trade an AVL Day for a Trip Pairing or Reserve period(s) in Open Time , on any Day(s) of the month.
 - b. At any time during the month, the Company may Assign a Trip Pairing or Open Time Reserve to a Pilot on the designated AVL Day(s) only. Reserve Duty so Assigned must first be placed in Open Time for a minimum of twenty-four (24) hours unless such Reserve was originally on an Awarded Reserve Line of time.
 - c. One (1) AVL Day will be dropped from the Pilot's schedule for every four (4) SCH picked up or Assigned.
 - d. Once a Pilot's line value reaches guarantee, all AVL commitments are satisfied.
 - e. A Pilot with an AVL Day who is not Assigned Duty by 1800 the Day prior to the AVL Day is released from all Duty. A Pilot so released may pick up Open Time on that Day in accordance with the provisions of this Section.
3. AVL Days have no pay credit associated with them.

G. Assignment of Open Time and Trip Adds

Open Time means Trip Parings and Reserve periods that are

unassigned after construction of the Composite Lines and Training/Checking/Management/Project Pilot lines at the time of the Final Bid Award for a Bid Period. Additionally, any Trips or Reserve periods that become unassigned during that Bid Period on account of unplanned absences (e.g., sick calls, leaves of absence, resignations) shall be made available for Bid as Open Time.

1. Open Time shall be made available for Award to Pilots on a first come, first served basis beginning at 2000 PDX time on the second Day after the distribution of final bid Awards and at the same time of every Day on which new Trips are added for such new Trips, until twenty-four (24) hours before the check-in time for the Trip. In order to be eligible for Award of an Open Time Trip:

- a. The Pilot must be able to perform the entire Trip without conflict with his regular bid line; however, at Company discretion, Crew Scheduling may break up a Trip Paring to accommodate a Pilot's availability.
- b. The Pilot may not be a Reserve Line Holder or scheduled for Reserve during the period of the Trip (including rest periods required before and after the Assignment).
- c. The Pilot must be legally able to perform the Duty from both a Duty/rest and experience category standpoint.
- d. The Pilot must hold the Position that is available

2. Open Time for out-of-Base Trips will be Awarded to a Pilot only if Crew Scheduling determines there is no potential Duty/rest legality violation. The Company will not be responsible for per diem or Deadhead associated with a Pilot's commute to and from an out-of-Base Open Time Trip that is voluntarily picked up by a Pilot.

3. The Company will post Open Time at each Base and by electronic means. The posting shall be updated by 2000 PDX time of any Day during which there are changes in Open Time.

4. Bidding and Awarding of Open Time shall be done by electronic means that have been mutually agreed upon by the Company and the Union.

5. Open Time that has not been Awarded, or first becomes available, within 24 hours before the check-in time for the Trip

shall be Assigned or Awarded in the following order:

- a. Assign to a Management Pilot, then (the Company may skip this option)
- b. Assign to a Reserve Pilot in Base, then (Company may skip this option)
- c. Assign to a Reserve Pilot out of Base, then (Company may skip this option)
- d. Assign to a Reserve Pilot in Base, then
- e. Assign to a Reserve Pilot out of Base, then
- f. Award to any Pilot who is eligible under the criteria of G.1. above on a first-come, first-served basis, who volunteers for Open Time, then
- g. Subject to the limitations of Section G.6. that follows, Assign to the junior Pilot who is legal and available on a Day Off, first in Base, then from another Base (the Company may opt to skip such Pilot).
- h. Volunteer Junior Manning (VJM): A Pilot who is a Regular or Composite Line holder may make himself available to Crew Scheduling on his Day(s) off, for the voluntary Assignment of Open Time flying.

(1) Pay for VJM: VJM flying will paid in the same manner as "Junior Manning" as set forth in Subsection 5.F.2 (plus Trip guarantee if applicable as noted below).

(2) VJM request: VJM requests will be submitted by 1500 the Day prior to the VJM Day requested.

(a) VJM request Eligibility: A Pilot's VJM request will include the date(s) the Pilot is legal and available (FAR's / CBA) and may include any specific and quantifiable Trip limitations (e.g., no Duty between Midnight and 6AM, Day trips only, commuting notification requirements).

(b) Withdrawal/ Modification of VJM request: A VJM request may be withdrawn or modified prior to 1500 the Day before the VJM Day requested.

(3) VJM Assignment: If more than one Pilot is eligible for a specific VJM Assignment, the Assignment will be given to the most senior and available (able to cover entire Trip) Pilot. Once Assigned, the Pilot is responsible

for the Trip (similar to line holder language). If the Pilot is Awarded a VJM Assignment and that Trip is subsequently cancelled, see show-no go language. If the Pilot checks in for a VJM Assignment, he may be Rescheduled for the same Day(s) and release time as the original Trip – and paid based on the value of original Trip Assigned or the completed Trip (whichever is greater).

(4) VJM Contactability: A Pilot on a VJM Day will make a good faith effort to be contactable. However, it is expressly agreed that no “present responsibility for work should the occasion arise” is created by a VJM request. If the Pilot does not respond within sixty (60) minutes (the established VJM contact parameter) to the notification message or contact of Assignment to the primary contact number, the Trip will be Awarded to the next most senior and available Pilot (VJM or Reserve); then

6. Assignment to a junior Pilot shall be subject to the following conditions and limitations:

- a. A Junior Assignment shall not be made before 24 hours prior to the Open Time Trip.
- b. After the Assignment has been made, a Junior Assigned Pilot may not be relieved from an Open Time Assignment without his consent.
- c. A Pilot who has been Junior Assigned may request that the Company continue trying to Assign the Open Time Assignment until four hours before the scheduled show time on the conditions that (1) he will consent to his replacement if another Pilot is Assigned to the Open Time; and (2) he agrees to report for the open-time Assignment unless notified that another Pilot has been Assigned to the Trip.
- d. The Company will waive the 48-hour requirement of I.1.1. of this Section if a Junior Assigned Pilot submits a completed Trip Trade request at least four (4) hours before the report time for the Open Time Trip.
- e. When a Pilot who has been Junior Assigned completes his open-time Assignment, he shall be moved to the top of the seniority list of the Pilots in his Status for Junior Assignment purposes. The Pilot shall retain this increased

protection from another Junior Assignment for the remainder of the Bid Period and during the next Bid Period (provided he retains the same Status).

f. The Company may excuse a Pilot from Junior Assignment for reasons such as the need to care for a child at home, etc. However, a Pilot who has been excused from an Assignment shall not be moved from his current Junior Assignment seniority position until he performs a Junior Assignment.

g. The Company and the Union recognize that Junior Manning is a "last resort" measure to retain the integrity of the Company's flight schedule. So that this process is used as infrequently as possible, the Company and the Union will: encourage Pilots who plan to resign to give as much advance notice as possible; cooperate in encouraging the responsible use of sick leave; and promote the voluntary assumption of Open Time Trips.

H. Rescheduling

1. After the publication of the final Bid Award, a Pilot holding a Regular Line, or a Composite Line may be Rescheduled. Any Rescheduled Trip must remain within the date(s) of the original Trip, regardless of when the Rescheduling occurs or how many times the Pilot is Rescheduled. Rescheduling must be within the limitations of Section 8 (Scheduling) and Section 7 (Hours of Service). A Pilot scheduled for a single Day Trip will not be Rescheduled for a multi-Day Trip.

2. A Pilot whose Trip has been Rescheduled due to ATC, maintenance, or weather delays, must be returned to his Base and/or bidline as expeditiously as possible.

3. In the Event that the Severe Weather Action Plan (SWAP) is activated and subject to applicable FAR's, the Company may have up to twelve (12.0) hours from the first interruption of a Trip Paring to Reschedule a Pilot.

a. A Pilot shall not be required to remain at an airport for longer than 2.0 hours.

b. In the event a Pilot is asked to remain contactable or the Pilot is released out of Base, the Company shall provide single occupancy hotel lodging.

4. If more than one (1) Pilot is Assigned to the same Trip, the senior Pilot will have the choice of flying the Trip or not. The Pilot not flying the Trip will either be Rescheduled to a similar Trip, i.e., same number Days and similar release time, (a.m. or p.m.) or released from Duty for the remainder of the Trip. The Pilot who does not fly the originally scheduled Trip will be credited with the greater of the value of the Trip originally Assigned or the Trip to which he is Rescheduled.

5. H.4 above does not apply if the Company Assigns another Pilot to cover a Trip for a late show. In this situation, the Company will normally send the originally Assigned Pilot home without pay and use the later Assigned Pilot for the Trip (or another Trip if the original Trip has been covered under the rescheduling provisions in H.1 and 2 above). However, the Company may choose to use the originally scheduled Pilot based on operational considerations. The Pilot flying the Trip will be paid for the Trip.

6. If a Pilot is Rescheduled from his Assignment by the Company to accommodate the training, checking or OE of another Pilot, or to accommodate management/project Pilots, the Pilot who is Rescheduled will be released from Duty for the remainder of the Trip or the portion of the Trip from which he is Rescheduled.

7. If a Pilot is Rescheduled from a Trip because of minimum experience between a Captain and a First Officer who are paired together, the Pilot who is Rescheduled will either be Rescheduled to a similar Trip, i.e., same number Days and similar release time (a.m. or p.m.) or released from Duty for the remainder of the Trip.

8. If a Pilot is Rescheduled, per this subsection, he shall be paid the greater of his Scheduled Trip or his Rescheduled Trip per Subsection 5.B.3.

I. Trip Trades

1. Trade requests shall be made utilizing the electronic system provided on the Company FDDS site. In the event the electronic means are not available, paper requests shall be made as follows: Trip Trade requests must be in writing, signed by both Pilots and received by Crew Scheduling no later than forty-eight (48) hours prior to the date of the earliest Trip being

traded. Crew Scheduling may waive the forty-eight (48) hour requirement.

2. Trip Trade requests may be for any entire Trip(s) or partial Trip(s) that begin and end at the Pilot's Base.

3. Trip Trade(s) must not violate FARs or any provision of this Agreement. Crew Scheduling may require a buffer equivalent to the buffer(s) used to construct the lines of flying at any time when there is any potential for illegality under the FARs or this Agreement. If all of the provisions of this Section are met, the trade will be approved. If a trade is disapproved, the Pilot will be advised, upon request, of the reasons for the denial.

4. Pilots on Reserve may trade Reserve Days, provided Reserve coverage is not reduced or compromised, and subject to approval by Crew Scheduling.

5. A Pilot who loses SCH from his schedule because of a Trip Trade, which causes him to fall below his Minimum Bid Guarantee, will have his Minimum Bid Guarantee adjusted.

6. Crew Scheduling shall provide Trip Trade approval notification electronically, or by hard copy in the event the electronic means are not available.

7. A Pilot may trade a Trip with a Trip in Open Time if the Trip being traded falls on the same dates. An Open Time Trip that falls outside the Days of the original Trip may be traded provided the Company verifies that there exists adequate coverage. Credit hour adjustments will be processed per Subsections 5.1.2.a-c.

J. Trip Drops

1. A Pilot may request to drop a Trip(s). Trip Drops will be approved when the number of Open Time Trips on the date(s) of the Trip being dropped is less than seventy-five percent (75%) of the number of Reserves available. If the Trip Drop cannot be approved, the Trip(s) will be placed in Open Time. If the Trip(s) is(are) not picked up by 1800 on the Day prior to the Trip(s) report time, the Trip(s) will be removed from Open Time and the Pilot requesting the drop will be responsible for the Trip. Credit hour adjustments will be processed per Subsection 5.1.2.a-c.

2. Partial Trip Drops

a. Except for the partial drops described in subparagraph 8.J.3. below, a partial Trip Drop normally will occur at a Base and begin and end at the same Base. Out of Base drops may be done with the mutual agreement between the Pilot and Crew Scheduling.

b. The Company will not be responsible for Per Diem, Deadhead, or credit hour provisions associated with a Pilot's travel to and/or from a partial Trip Drop origination point. The Commuter Policy (See Subsection 26.L) shall not apply. If the drop is not at the Pilot's Base, Crew Scheduling will insert a 1-minute "LIMO" from the drop point to the Pilot's Base.

3. Drop of a Deadhead at the beginning or end of a Trip (first leg or last leg):

A Deadhead leg at the beginning or end of a Trip may be dropped, subject to the following:

a. Upon request, after completion of the final scheduled leg of active flying, a Pilot may be relieved from a scheduled final Deadhead leg of a Trip if Crew Scheduling determines that it has no further active flying for the Pilot.

b. An initial (first leg) Deadhead may be dropped in accordance with the following procedures:

(1) Notification of an initial leg Deadhead drop must be made no later than four (4.0) hours before the scheduled report time for the Trip.

(2) If the Trip has more than one Deadhead leg at the start of the Trip, the Pilot may report at any intermediate stop prior to the first revenue leg.

(3) If the reporting point is any city that is not a Base for Pilots with Reserves in the requesting Pilot's Status, the Pilot must confirm by telephone call to Crew Scheduling that he is in the vicinity of the reporting point at least one hour before the original show time of the Trip (first Deadhead leg).

(4) Crew Scheduling will then insert a 1-minute "LIMO" in place of the scheduled Deadhead leg(s) for the Pilot.

(5) The Pilot's Report time will change to one (1) hour prior to the first revenue leg (or second or subsequent Deadhead leg if the Pilot chooses option b.(2) above).

The Pilot will call Crew Scheduling to check in for the Trip one (1) hour before the departure of the first flight that he will work or Deadhead. The call must be made from the airport from which the flight will depart.

K. Continuous Duty Overnights (CDO)

1. CDO Trips will be confined to separate CDO bidlines.
 - a. A Pilot will be scheduled for no more than four (4) Day – three (3) night consecutive CDOs.
 - b. A Pilot on a CDO will be scheduled for a maximum of 14.0 hours of Duty.
2. A CDO Trip may be scheduled for up to four (4) total legs, including Deadheads; so long as no more than two (2) legs shall be outbound from a Pilot's Base or inbound to the Pilot's Base. One of each respective outbound and inbound legs shall not exceed 30 minutes of Scheduled Block.
3. CDO Trips will terminate and the Pilot will be released upon first arrival at the Base.
4. The CDO will have a scheduled nap opportunity of no less than four (4) hours in a hotel. The actual time in the hotel will not be less than two hours.
5. No Pilot will be scheduled or Rescheduled for any Duty for at least thirty (30) hours following the completion of a CDO Trip unless the Duty is another CDO.

L. General

1. Upon completion of training (other than re qualification training), a Pilot will be Assigned a line for the next Bid Period to avoid pairing crew members with less than seventy-five (75) hours of flight time in the type and to ensure the Pilot obtains a sufficient number of flight hours to accommodate the FAR consolidation requirement. Such line will be constructed pursuant to Subsection 8. B.9.a above.
2. For the purposes of filling Open Time or the trading of Trips, an individual Pilot's experience category will be determined by the date on which the Trip Trade is processed.
3. A flight scheduled to terminate before 00:00 (midnight) of the

first Day will be considered to have terminated on the first (1st) Day if it terminates no later than 0200 hours local time on the second (2nd) Day.

4. A Pilot will not be required to transport ticketed passengers via ground transportation.
5. A Pilot will not be required to drive to or from an airport that is not his Base if the Pilot is not protected from personal liability, including the cost of his defense, up to a limit of no less than ten million dollars (\$10,000,000) through insurance paid for by the Company.
6. All times referred to in this Section are local times at the Base.
7. First Officers will not be Assigned to fly as Captains.
8. A Captain shall not be Assigned to Fly as a First Officer except:
 - a. for Check Airmen and Instructors who are trained and qualified to operate the aircraft from the right Seat and are performing their Check Airmen and Instructors duties. In addition, to avoid the Involuntary Junior Assignment of another Pilot or to avoid a flight cancellation, a Check Airman or Instructor may perform the duties of a First Officer. The Assignment may not occur more than twenty-four (24) hours in advance of the Trip Pairing and after the exhaustion of all available Reserve coverage. Upon request of the EXCO an explanation of the need for the Assignment shall be provided.
 - b. Captains may be Assigned to perform the duties of a First Officer in a simulator for Training in Lieu of Proficiency Check.

SECTION 9: RESERVES

A. Reserve Periods

1. Reserve Periods will be determined each Bid Period and will be published with the final bid Awards.
 - a. Reserve Periods will be scheduled not to exceed fourteen (14) hours when published.
 - b. After publication, the Reserve Period for any RAD may be Rescheduled for another Period not to exceed fourteen (14) hours.
2. A Reserve Period may begin as early as 0001 on any RAD.
3. A Reserve Period preceding a Day Off will not be scheduled beyond 2400.
4. The first Reserve Period on the first Day in a series of RADs will not be changed unless by mutual agreement.

B. Rest Periods

1. A Reserve will be scheduled for a Rest Period of not less than ten (10) hours at Base.
2. A Reserve shall not begin a Reserve Period without an actual Rest Period of at least eight (8) hours preceding the Reserve Period.
3. A single telephone contact initiated by the Company during a Reserve's prospective Rest Period for the purpose of extending that Period does not constitute an interruption of such prospective Rest Period.
4. Any number of telephone contacts initiated by a Pilot to Crew Scheduling does not constitute an interruption of his prospective Rest Period if such contacts are not required by the Company.
5. Crew Scheduling may extend a Reserve's prospective Rest Period provided the Pilot has remained free from actual work for the Company or from the present responsibility for work should the occasion arise. It is the Pilot's responsibility to remain in a rested state during a prospective Rest Period.
6. The Rest Period preceding a Reserve Period may occur

partially or completely on the calendar Day preceding the Reserve Period.

7.

a. A Pilot's Reserve Period will not be moved more than three (3) hours earlier or five (5) hours later unless he is provided an actual Rest Period of at least eleven (11) hours preceding the Reserve Period.

b. A Pilot may not have his Reserve Period Rescheduled to cover a CDO unless he is notified when he calls Crew Scheduling in accordance with paragraph D.5 of this section on the Day before the scheduled Reserve Period.

c. Following a CDO, a Reserve shall be given an actual Rest Period of at least twelve (12) hours, unless his next scheduled Trip is a CDO. After the twelve (12) hour Rest Period, the Pilot will be contactable for the remainder of the original Reserve Period.

d. Any other Rescheduled Reserve Period will be preceded by an actual Rest Period of no less than ten (10) hours.

8. The Company may extend a Reserve's prospective Rest Period provided the conditions of C.7 above are met.

C. Assignment of Reserves

1. A Reserve Pilot's initial Assignment for a RAD may be either at the Pilot's Base airport (Airport Reserve) or at any other place chosen by the Pilot provided he complies with the contactability and report time requirements set forth below (Regular Reserve).

a. A Pilot on Regular Reserve is the primary on-call Pilot at most airports and in most situations.

b. Airport Reserve may be used, in addition to the number of airport Reserves and limitations thereon provided in C.2.a below.

(1) When the flight schedule has been substantially disrupted by weather or ATC delays.

(2) When it is anticipated that the flight schedule at one or more airports will be substantially disrupted by weather or ATC.

2. Reserve Periods in combination with work Assignments may be scheduled as follows:

a. Airport Reserve

(1) Scheduled airport Reserve will be made available in Reserve Lines that are exclusively airport Reserve to the extent that is practical.

(2) Airport Reserve Assignments shall be scheduled for either an eight (8) hour or ten (10) hour period that is not extendable or subject to conversion to regular Reserve. If Airport Reserve Assignments are scheduled for ten (10) hour periods, those Assignments will be built into pure lines with no more than four (4) consecutive RADs.

(3) In combination with a flight Assignment, other than a CDO scheduled pursuant to Section 8, Scheduling, an Airport Reserve may be scheduled to fourteen (14) hours. If Rescheduled, the Rescheduling Limitations contained in the Hours of Service Section shall apply. In case of delays due to weather, ATC, or maintenance delay circumstances beyond the Company's control, the actual Duty may not exceed fifteen (15) hours, or sixteen (16) hours if the only Duty beyond fifteen (15) hours is a Deadhead leg at the end of the Duty period. The maximum period of time that an Airport Reserve covering a CDO may be scheduled or actually on Duty is sixteen (16) hours, including Reserve Period time.

(4) Scheduled airport Reserve Assignments will be limited to no more than one (1) Pilot per Status per Reserve Period start time. If used, an Airport Reserve may be reconstituted with a Pilot from Regular Reserve to complete the balance of the original airport standby period, or eight (8) hours, whichever is less. At Bases where the required Regular Reserve report time is more than one (1) hour, the Company may specify Airport Reserve Period start times that do not coincide with Regular Reserve Period start times.

b. Regular Reserve - In combination with a flight Assignment, other than a CDO scheduled pursuant to Section 8, a Reserve may be scheduled or Rescheduled to fourteen (14) hours. If Rescheduled, the Rescheduling Limitations contained in the Hours of Service Section shall apply. In case of delays due to weather, ATC, or maintenance delay circumstances beyond the Company's control, the actual Duty may not exceed sixteen (16) hours. A Reserve covering a CDO may be scheduled or actually

on Duty up to a maximum of sixteen (16) combined Reserve and Duty hours, but not more than fourteen (14) scheduled Duty hours.

c. A Reserve, except for a Long-call Reserve, will be released for the remainder of that Day when returning from a multi-Day Trip except if the Trip is a CDO or if the only Duty on that Day is a Deadhead back to the Pilot's Base.

(1) A CDO will not be considered a multi-Day Trip for purposes of this paragraph.

(2) A Pilot returning from a CDO will be released to rest and may only be Assigned to a Reserve Period that Day to cover a CDO.

d. A Reserve returning from a Day Trip may be Assigned to further Reserve Duty if his Reserve Assignment and flight Assignment that Day, combined, do not exceed ten (10) hours. If the Assignment equals or exceeds ten (10) hours, he shall not be given another Trip Assignment on that RAD, but may be required to perform an Operational Check Flight, taxi Assignment, etc., before he is released to rest provided that such Assignment is scheduled to commence within one (1) hour after the completion of his Trip Assignment.

e. An Airport Reserve may be given any Trip Assignment. In addition an Airport Reserve may be used for Assignments such as Operational Check Flights or taxis provided such other Assignment does not result in the Company replacing him with another Airport Reserve and provided the Assignment is scheduled to commence before the end of his airport Reserve Period.

f. No Pilot will be Assigned to Airport Reserve more than eight (8) times per Bid Period unless he has an airport Reserve bidline.

g. For Assignment of Reserves to Open trips, see Section 8.G.5.

3. A Reserve will be provided a new Reserve Period work Assignment in one of the following ways on each RAD, unless he already has an Assignment from the prior RAD:

a. The Reserve will be notified of his Report Time and Assignment before the beginning of the Rest Period; or

b. The Reserve will be notified of his Report Time and

Assignment after the beginning of the Reserve Period.

4. If the Company changes a Reserve's Reserve Period in connection with an Assignment he will be notified of the change at the time he is notified of the Assignment.
5. A Pilot will call Crew Scheduling between 1600 and 1800 hours on the Day before a scheduled Reserve Period in order to be advised of his next Day's Assignment unless:
 - a. his next Day's Assignment is a continuation of a current Trip Assignment; or
 - b. he is in a contactable period encompassing 1800 which would enable Crew Scheduling to initiate the contact; or
 - c. he is on a Day Off.
6. The Company may, at its sole discretion, release a Pilot from a Reserve Period.

D. Airport Reserve

The following will apply to a Pilot reporting to his Base for his Reserve Period.

1. The Company will designate an airport facility that is quiet and separate from other employees with provisions for waiting for Assignments, such as overstuffed chairs, and a communication link with Crew Scheduling.
2. The Reserve shall be ready to depart when Assigned.

E. Regular Reserve

The following will apply to a Reserve except when reporting to his Base for airport Reserve.

1. A Regular Reserve must be contactable by Crew Scheduling during the Reserve Period of his RAD. Pilots may use pagers or answering machines provided they respond to a page or telephone message within ten (10) minutes.
2. The Company shall provide at least two (2) hours notice of an Assignment whenever possible and such notice is not during the Regular Reserve's Rest Period for that RAD.
3. A Pilot on regular Reserve may be required to report within one (1) hour, except in Seattle and Portland where the time is

two (2) hours for Seattle and ninety (90) minutes for Portland. For new Bases, the time shall be one (1) hour unless the driving conditions are similar to those in Seattle or Portland, in which case the time shall be determined by comparison with Seattle or Portland. When a Pilot is delayed in transit, he will attempt to advise Crew Scheduling by cell phone or other means.

F. Long-call Reserve

The following will apply to a Long-call Reserve:

1. A Long-call Reserve must be contactable by Crew Scheduling during the Reserve Period except when he is Assigned rest. Pilots may use pagers or answering machines provided they respond to a page or telephone message within sixty (60) minutes. If no response is received by Crew Scheduling within sixty (60) minutes, a Pilot will be considered to have been placed on ten (10) hours rest at the time of the first notification, and will be placed on Regular Reserve.
2. The initial contact from Crew Scheduling to a Long-call Reserve will initiate a minimum rest of ten (10) hours.
3. When a Pilot is delayed in transit, he will attempt to advise Crew Scheduling by cell phone or other means.
4. A Long-call Reserve who has completed a Duty Period will immediately be returned to his Reserve Eligibility Period.
5. A Long-call Reserve cannot be converted to an Airport Reserve; and except as provided in Subsection 9.F.1. above, can not be converted to Regular Reserve.

G. General Requirements

1. Every Pilot shall provide the Company a telephone number where he will be contactable during Reserve Periods unless he has advised the Company of an alternative number for a particular period. A Reserve who uses a pager or cellular phone is responsible for ensuring its proper operation and that Crew Scheduling has the correct number.
2. A Reserve who has been given an Assignment may be Rescheduled for operational reasons such as ATC, maintenance, or weather.
3. A Reserve may be Assigned to a Trip that continues into

a Day Off only if no other Reserve is legal and available to do the entire Trip. For every Day that a Reserve is scheduled into a Day Off in a Bid Period, he may designate a scheduled Day Off in his next Awarded bidline on which he cannot be Assigned or scheduled to work. The Reserve will receive 150% pay as provided in the Compensation section for the credit hours on his Day Off or, at his option, receive a compensating Day Off.

4. The Company will not pay for short term parking unless it has been authorized in advance by Crew Scheduling. When authorized, the Reserve shall be reimbursed for the parking fee (expense report) unless Crew Scheduling has provided him with a voucher for payment of the fee.

5. Reserve bidlines published for initial bid will reflect the planned Reserve Periods.

H. Cancelled Reserve Trip Assignment

1. When a Pilot is Assigned a Trip that is later canceled before he reports, he will be returned to Reserve and be subject to further Assignment.

2. When a Pilot is Assigned a Trip that is later canceled after he reports, he will be given another Assignment or be returned to regular Reserve status, and shall receive a minimum of two (2) credit hours for that Day.

SECTION 10: NEW AIRCRAFT SECTION

A. Direct Negotiations

Should the Company announce its intent to place into revenue service aircraft other than the aircraft for which rates of pay are specified in this Agreement, the Union and the Company shall meet to negotiate rates of pay for such aircraft at a mutually agreed upon time, but not later than ninety (90) Days before the aircraft is to be placed in service. The rates of pay for such aircraft agreed upon shall be retroactive for all hours flown in the new aircraft. If, after 60 Days from the commencement of negotiations, no agreement is reached, the parties shall submit the matter to arbitration.

B. Arbitration

Arbitration will be conducted by a third party neutral mutually agreed to by the parties. If agreement on an arbitrator is not reached, the parties will strike arbitrators from the panel of arbitrators set forth in the system Board of Adjustment section.

C. Conduct of Arbitration

The arbitrator will conduct the arbitration within 30 Days after his selection, or as soon thereafter as he is available, and issue a decision within 45 Days after the close of the arbitration. The arbitration will be conducted by the arbitrator and one board member each from the Union and the Company and decided by a majority decision. The award will be limited to rates of pay for new aircraft, as set forth in A. above. The award shall not be less than the lower proposal nor higher than the higher proposal. The arbitrator may consider industry rates of pay and practices and the arguments and evidence submitted to him by the parties.

SECTION 11: SENIORITY AND COMPANY SERVICE

A. Pilot Seniority

Pilot seniority is length of service as a Pilot, determined in accordance with this Agreement.

1. It shall begin to accrue on the first Day a Pilot reports for initial ground school training.
2. It shall end on the last Day a Pilot is employed by the Company as a Pilot, unless extended in case of Furlough, leave of absence, transfer to other positions, or as otherwise described in this Agreement.
3. It shall be adjusted to exclude a time period that a Pilot is in a non-flying position or as otherwise described in this Agreement.
4. It shall be used for determination of work schedule and vacation bidding rights, promotion, Base and Equipment Assignments, and Furlough and recall in accordance with the provisions of, and subject to exceptions, qualifications, and requirements set forth in, and as otherwise described in, this Agreement.

B. Pilot System Seniority List (PSSL)

The PSSL shall contain the names of all Pilots who have Seniority in order of their Seniority.

1. Pilots shall be initially placed on the PSSL in order of their date of reporting for initial ground school training. Pilots commencing training on the same date shall have their seniority established by age with the oldest being the most senior.
2. The PSSL shall provide the current Seniority start date (including any adjustments), the birth date for those Pilots placed on the Seniority list after the effective date of this Agreement, the Position (including management status, if applicable), the Base, and the Assigned Equipment Type for each Pilot on the list.
3. A Pilot's name shall be removed from the System Seniority List when discharged, and the discharge is upheld or unchallenged, when he resigns, Retires, reaches FAA mandatory Retirement age, or otherwise voluntarily terminates his

employment with the Company, or when he no longer has any Seniority rights under the provisions of this Agreement.

4. The Company shall make available a System Seniority List, current as of each Bid Period if there are changes, in the crew check-in room at each Base and via the internet. In addition, the Company shall provide a copy to the Union.

C. Correction of Pilot Seniority

The Company shall correct any error in the PSSSL that is submitted in writing to the Chief Pilot within 60 Days after the list was posted, except that a Pilot who is on vacation, leave of absence or Furlough at the time the list was posted may ask for a correction of any error affecting him within 60 Days after returning to work.

D. Company Service

Company service is length of service with the Company determined in accordance with Company policy of general applicability.

1. The Company may compute Company service differently for purposes such as for Awards of service pins.
2. Company service shall be used by the Company for computing years of service for determining vacation accrual rate, total accrued sick leave, eligibility for online and interline reduced rate travel benefits, and for any other purpose that is not inconsistent with any specific provision of this Agreement.
3. The Company shall not compute Company service more favorably for any other recognized group of Horizon employees.

SECTION 12: PROBATION

A. Probation period

Except as provided in Section 19 Transfer to Management or Non-Flying Positions, a Pilot shall be on probation until successful completion of his first annual Proficiency Check. The probation period, however, will not be less than twelve (12) months from date of hire. Any period of thirty (30) consecutive Days or more, or sixty (60) Days or more cumulatively, during which a Pilot is not in an active working status (on the payroll, including paid sick leave) shall be added to the probationary period. In the event of a Pilot Reduction, probationary Pilots shall be Furloughed in reverse seniority order, and shall not be terminated due solely to their probationary status.

B. Disciplinary Standard

A Pilot on probation shall not be entitled to utilize the grievance and Board of Adjustment procedures of this Agreement with respect to any disciplinary action taken against him, including discharge.

SECTION 13: VACATION

A. Eligibility

Pilots are eligible to take vacation after six (6) months employment with the Company.

B. Accrual

While employed as a full-time Pilot, a Pilot shall accrue vacation credit hours in accordance with his Company service as follows:

<u>Years of service</u>	<u>Accrual rate per pay period</u>	<u>Weeks per year</u>
5 years or less	2.0	2
Over 5 years	3.0	4

C. Vacation Bids

Pilots will bid vacation by Status. Vacation periods will be made available only as seven Day periods, Monday through Sunday. The following provisions apply to all Pilots except those in the Training Department:

1. By October 1 of each year, the Company will post all of the vacation periods available for bid at each Base during the following year. Periods made available for each Base shall be dispersed throughout the calendar year and these shall not be fewer than the vacation periods anticipated to be accumulated by the Pilots at such Base.
2. First round bids will close at 1500 PDX time on October 21st.
3. The vacation Awards for the first round of vacation bids shall be posted on all Base bulletin boards no later than November 1.
4. The balance of the vacation periods not taken during the first round of bidding will be posted for a second round of bidding on November 1.
5. Second round bids will close at 1500 PDX time on November 15th. Awards for second round bids shall be posted on November 21st.
6. During each round of bidding, a Pilot may bid all, part, or none of his annual vacation accrual as expressed in "weeks per year" in B. above. In the first or second round, the amount bid may be in one or two continuous periods.
7. Bid Awards will be in seniority order within Status.
8. Pilots written bids will be submitted to "PDX Flight Operations, ATTN: Vacation Bid."

9. Vacation periods that are: (1) Awarded but not taken for any reason; or (2) not Awarded during the bid and Award period, may be bid on a first come, first served basis. However, a Pilot will not be Awarded a vacation period that is in excess of the number of weeks he was eligible to bid during the vacation year unless he will have at least adequate hours of accrued and unscheduled vacation at that time that will cover dropped trips. All known open vacation periods will be published with the next Bid Package following the period in which it becomes available.

D. Vacation Schedule Adjustments

The vacation week shall start on Monday and end the following Sunday. All trips or RADs in the Pilot's bidline that begin or end within the vacation period will be dropped.

E. Vacation Procedures

Vacation shall be paid at the Pilot's hourly rate in effect at the time the accrued vacation is used, or, is paid for. The number of hours paid and deducted from the Pilot's vacation accrual shall be determined as follows:

1. In the case of a Regular Line holder, vacation hours deducted from a Pilot's vacation accrual account will equal the value of the credit hours dropped from his bidline.
2. In the case of a Reserve Line Holder, vacation hours deducted from a Pilot's vacation accrual account will equal 3.92 hours times the number of RADs dropped from his bidline.
3. In the case of a Composite Line holder, vacation hours deducted from a Pilot's vacation accrual account will be 17.26 credit hours per week of vacation. For vacation taken Day at a time, the daily charge for a Reserve Day dropped will be 3.92 hours; for scheduled trips, the charge will be the value of credit hours dropped.
4. The Pilot's account will reflect the accumulation effective the last Day of the previous pay period. In order to take a scheduled vacation period, the Pilot must have accrued, at the beginning of the vacation period, twenty (20) hours of vacation for each week in the scheduled period.
5. In no event will a Pilot be paid for more hours of vacation than he has accrued.
6. Upon termination of employment (including death), a Pilot

will be paid for accrued vacation not taken, except that a Pilot who terminates employment during his initial probationary period with the Company shall forfeit and not be paid for any accrued vacation.

7. A Pilot on vacation may not be Junior Manned. A Pilot may not be Assigned a Trip that extends into his scheduled vacation period.

8. A Pilot will be required to take vacation as bid unless he is able to exchange it for another available vacation period. The exchange must be submitted to Company for approval at least thirty (30) Days prior to the Bid Period containing the earlier of the vacation periods involved in the exchange.

9. A Pilot may accrue up to 1.5 times his annual vacation accrual. By December 1 of each year, the Company will calculate and provide notification to each Pilot of the amount of vacation the Company projects he will have accrued at the end of the year, assuming none is used between the time of its projection and year end. Any excess accrual will be forfeited at year end. However, the V.P. of Flight Operations will authorize excess accrual: (1) if the Company's staffing needs have prevented the Pilot from taking his vacation; (2) if scheduled for training in conflict with his vacation; or (3) if the Pilot was unable to bid and be Awarded a vacation due to an insufficient number of vacation periods being made available.

10. Any Pilot who successfully changes his Status will be required to re-bid any future scheduled vacation periods following successful completion of training. An unsuccessful trainee will retain his previously Awarded vacation.

11. Vacation Postponement.

a. The Company may not cancel a Pilot's vacation. When necessary, in order to avoid the cancellation of flights, the Company may postpone Awarded vacations and/or cancel unawarded open vacation periods. Should postponement of Awarded vacations be required it will be accomplished as follows:

(1) The Company will provide fifteen (15) Days advance notice;

(2) If it is not necessary that all vacation within a given time period be postponed, the Company will first solicit

volunteers in seniority order.

(3) If there are insufficient volunteers, the Company then will postpone only the required number of vacation Awards from non-volunteers in inverse order of seniority.

b. Pilots with postponed vacations may:

(1) Select a non-postponeable vacation period from open vacation periods in the current year; or

(2) Carry over the non-postponeable vacation period to the following year; or

(3) At the Pilot's discretion, he may be paid for the vacation based on the Credit Hours for the period when he would have taken the vacation as scheduled.

c. Expenses for postponed vacation will be reimbursed as follows:

If the Company postpones a vacation of a Pilot who has made a non-refundable deposit, bought nonrefundable tickets, etc., in reliance on his established vacation schedule, the Company will reimburse the Pilot for such non-refundable expense. The Company will be entitled to attempt recovery of the deposit, ticket expense, etc., or apply it to some other person or purpose.

F. Day Off Vacation

A Pilot may take vacation a day-at-a-time to replace a scheduled Duty Day(s).

1. Approval of day-at-a-time vacation is solely at the discretion of the Chief Pilot, based on crew needs and Reserve availability. The Chief Pilot may not be able to make commitments until a Day or two prior to the vacation day requested if Reserves are at a minimum level.

2. Vacation days taken are charged as set forth in E above for scheduled trips and RADs.

G. Training Department Vacations

Training Department vacation bidding will be accomplished in accordance with Training Department procedures. Vacation Awards will be based on seniority in the Training Department, with only one instructor on vacation at any one time, unless training needs for that time period allow more.

SECTION 14: SICK LEAVE

A. Sick Leave

1. **Accrual.** Pilots will accrue sick leave at the rate of 3.0 hours for every month in Active Status.
2. **Conversion of Sick Leave to Short Term Disability (STD) Leave.** The maximum accrual for a Pilot's sick leave bank is ninety (90) hours. Anytime a Pilot's payroll period accrual would result in a total accrual of greater than ninety (90) hours, the excess will be transferred to his STD Leave account. When usage of sick leave results in the Pilot's sick leave bank dropping below ninety (90) hours, accrual in the sick leave bank shall resume.
3. **Pay and Usage.** Sick leave may be used on account of a Pilot's absence due to illness or injury or the need to care for an injured or ill child, spouse, or parent .
 - a. A Pilot who is unable to fly a scheduled Trip(s) will be credited for the trips(s) missed and will have the value of Trip(s) missed deducted from his sick leave accrual.
 - b. A Pilot on Reserve who is unable to perform Assigned Duty will be credited with the number of hours of flight pay determined by dividing his Bid Period guarantee by the number of permissible scheduled work Days (35 divided by the number of guaranteed Days off) in his bidline type (Composite, Reserve) and the same number of hours will be deducted from his sick leave accrual. These credit values are set forth in Section 5, Compensation.
 - c. A Pilot who is unable to attend initial, Upgrade or Transition training will be paid and credited for the training missed at the rates provided for in the Training Section of this Agreement and will have the value of the training pay deducted from his sick leave accrual.
 - d. Unless the absence is on account of an injury or illness for which a claim for workers' compensation has been filed, a Pilot who is injured or ill will continue to be paid sick leave until all accrued sick leave is used or until he is eligible to begin receipt of STD leave payments, whichever is less. However, if a Pilot exhausts his STD bank, he may use any remaining sick leave to cover the absence.

e. A Pilot who is absent from work on account of an injury or illness for which a workers' compensation claim has been filed, will only be paid sick leave during the waiting period specified in the applicable workers' compensation law (currently 3-6 Days, depending on the state). Except for payment during the waiting period, no sick leave shall be paid a Pilot who is absent from work because of an injury or illness for which workers' compensation benefits are claimed. However, payments to make up for a Pilot's Loss of Pay once worker's compensation time loss (temporary total disability) payments begin will be made from STD leave. If an absence is longer than seven Days, then the Pilot will be made whole as described in paragraph B.3 below.

f. A Pilot who is unable to continue work due to illness or injury after a Trip has commenced will be relieved from Duty and returned to his Base on a positive space basis. Where the severity of the illness warrants, the Deadhead will be on a must-ride basis. The ill Pilot will not be required to occupy the jumpseat. He will be entitled to sick leave pay from his accrual for the portion of the Trip missed.

g. A Pilot who is able to return to work after his original Trip has been reAssigned shall notify Crew Scheduling of his availability by 1700 local time on the Day before he wishes to return, and shall coordinate his return to Duty with Crew Scheduling. Crew Scheduling's objective will be to return the Pilot to the Trip. If the Pilot cannot reasonably be returned to the original Trip, the Pilot may be assigned to another Trip or assigned to standby (Reserve for a Reserve Line Holder) for the remaining Day(s) of the original Trip.

h. Upon return to work, the Pilot will be paid and credited for the remainder of his original Trip (except he shall not be paid and credited for the Deadheading or per diem expense associated with his return to Trip) or Assigned to another Trip. If Assigned to standby (Reserve for a Reserve Line Holder) he will be paid and credited with the greater of 4 hours or what he actually flies on each Day. If the total of such pay and credit is less than the value of his originally scheduled Trip, he shall be paid and credited (from his sick leave accrual) with the difference. If Assigned to another Trip and the total of such pay and credit is less than the value of his originally scheduled Trip, he shall be paid and credited (from his sick leave accrual) for the difference.

4. Reinstatement of Sick Leave. Except as it has been used as a basis for calculation in the Retiree Medical Plan in the Benefits Section of this Agreement, when a Pilot's service with the Company is terminated, either voluntarily or involuntarily, including Furlough, and expiration of leave of absence status, there will be no payment for accrued sick leave nor will the Pilot be eligible for any sick leave payments while so separated. However, accrued sick leave will be reinstated if the Pilot returns from Furlough, or is rehired and has his Company service reinstated.

B. Short Term Disability (STD) Leave

1. Accrual. Pilots will accrue STD leave at the rate of 1.5 hour for each month in Active Status.

Unused STD leave shall accumulate from one year to the next for the duration of employment. The maximum amount of STD leave that may be accrued is 1000 hours (1 year); however the maximum that may be used in connection with one continuing absence is the amount necessary to bridge the waiting period for benefits under the LTD (long term disability) insurance plan if the Pilot is eligible for LTD under the plan. The Vacation Donation Plan may be used to help bridge the waiting period for LTD after the Pilot's STD leave bank is exhausted.

2. Pay and Usage. STD leave may be used on account of a Pilot's absence due to illness, injury, pregnancy or other qualifying reason under applicable Federal or state Family Medical Leave Acts requiring payment from sick leave that exceeds seven Days in duration. If the Pilot is eligible for STD Leave it shall be paid (rather than sick leave) from the beginning of any Trip missed that extended into the STD eligibility period. A Pilot with a bidline will be credited for trips missed and have the value of trips missed (determined the same way as in A.3.a, b, and c above) deducted from his STD accrual. A Pilot who does not have a schedule for the Bid Period will be paid his monthly guarantee. His STD leave accrual will be charged the monthly guarantee amount less any credit for trips actually flown. A Pilot who lacks sufficient sick leave to cover the first week of an absence that extends beyond one week for one illness or injury reason may use STD leave to cover any pay shortage that sick leave would have covered during the first week of absence provided the absence is at least 16 Days in duration or results from an accident or hospitalization.

3. Coordination with Workers Compensation. A Pilot who is eligible for temporary total disability (time-loss) payments under a state workers' compensation program will be made whole, so that his combined gross pay from time-loss payments and his STD bank will result in no Loss of Pay, from his STD leave bank. In determining a Pilot's combined gross pay, a Pilot's time loss payment that is non-taxable, shall be valued at 128% of its payment amount. Upon a Pilot's eligibility for LTD benefits, all STD payments shall cease.

(Example: Assume

Pilot injured on the job on February 28, 2002, misses the remaining trips in his bidline for the Bid Period that ends March 16, 2002. He remains off work, drawing time loss (temporary total disability payments) until the state worker's compensation law, beginning after a three Day waiting period (during which he is on sick leave) until the beginning of the Bid Period beginning April 21, 2002.

The credit value of scheduled trips missed from March 3 through March 16 would have resulted in his receiving 10 credit hours pay in addition to his 92 hour Bid Period guarantee.

His current rate of pay is \$75 per credit hour. His total time loss payments for the period March 3-April 20 were \$6,750.

Calculation of STD pay and STD hours used:

Loss of Pay:

March 3-16: $[(2/5 \times 92) + 10] \times \$75 = \$3510.00$

March 17-April 20: $92 \times \$75 = \6900.00

Total: \$10410.00

Value of time loss payments received

$\$6750 \times 128\% = \8640.00

STD pay $[\$10,410.00 - \$8,640.00] = \$1770.00$

STD hours used $[\$1801.50 / 75] = 23.6)$

4. Reinstatement of STD Leave. Except as it has been used as a basis for calculation in the Retiree Medical Plan in the Benefits Section of this Agreement, when a Pilot's service with the Company is terminated, either voluntarily or involuntarily, including Furlough, and expiration of leave of absence status, there will be no payment for accrued STD leave nor will the Pilot be eligible for any STD leave payments while so separated.

However, accrued STD leave will be reinstated if the Pilot returns from Furlough, or is rehired and has his Company service reinstated.

C. Personal Days Off (PDO)

Pilots eligible to participate in the Personal Days Off (PDO) program shall be subject to the following subsections:

1. Use of STD Leave for PDO. A Pilot will be entitled to use his STD Leave bank as Personal Days Off as further described in paragraph 3 below of this Section if his sick leave usage was limited as follows:

1 PDO will be awarded based on a rolling six-month period commencing on the date of hire, the last sick Day, or PDO award.

2. Accrual. The number of PDOs for which a Pilot is eligible shall be maintained for every Pilot who is eligible for them as provided in paragraph 1. above. Unused PDOs will accumulate for the length of a Pilot's employment.

3. Usage. A Pilot may use PDO for up to three Days absence from work because of a medical or dental appointment that cannot be scheduled during off-Duty time, because he is unable to fly a scheduled Trip(s) due to illness or injury, because of the need to care for an injured or ill child, spouse, or parent or for any other reason provided advance notice is given to his Chief Pilot as provided below.

a. A Pilot requesting a non-emergency PDO at least three (3) Days prior to the date requested shall be granted the PDO if there is adequate Reserve coverage.

b. If a Pilot requests a PDO at least six weeks before the Bid Period containing the desired Day Off, he will be granted the PDO if there are guaranteed availability Days available within his bidding group. Requests may be submitted up to 12 months prior to the date requested, and will be granted in the order received. For this purpose the Company will set aside and guarantee the availability of one PDO per Day in bidding groups with ten (10) or more Pilots. For each additional 50 Pilots in a bidding group, an additional guaranteed Day will be set aside.

c. Guaranteed availability Days may not be used:

(1) The Day before, the Day of, or the Day after the

following holidays: New Years Day, Mothers Day, Fathers Day, Labor Day, Thanksgiving or Christmas.

(2) More than two Days in a row (except to cover one Trip series)

4. Payment. A Pilot with a bidline will be credited for trips missed and have the value of trips missed (determined the same way as in A.3.a, b, and c above) deducted from his STD accrual. A Pilot on a guaranteed availability Day PDO (in which case his line was built without Duty on that Day) will be credited and charged with 4.0 credit hours. If there are insufficient hours in a Pilot's STD bank, he may elect to take the PDO without pay or have it paid from and charged to his Sick Leave bank.

5. Payout of PDO upon Employment Termination. When a Pilot's service with the Company is terminated, either voluntarily or involuntarily, including Furlough, and expiration of leave of absence status, all accrued PDO will be paid to him at his then current hourly rate.

D. Notifications

1. A Pilot will notify Crew Scheduling as soon as he is aware of his unavailability for work.

2. If the Pilot has reason to believe his absence may extend beyond the length of the missed Trip or Reserve Day Assignment which his initial report to Crew Scheduling covered, he shall contact the Chief Pilot's office to discuss his condition and likely return date. The Pilot need not disclose confidential medical information to the Company.

3. Where the Company believes there may be sick leave abuse by a Pilot, it may advise the Union of its concern. The Union will review such concern and discuss the matter with the Pilot. The peer review provided for by this paragraph is a supplement to, and not a replacement for, other appropriate Company corrective actions.

4. A Pilot who does not provide at least three hours notice of an absence or a Reserve who fails to notify Crew Scheduling before he is called for an Assignment on a RAD, if he has been counseled and the Union has been notified concerning a prior occurrence, may be denied pay under this Section for the first Day of such absence, unless his failure to notify the Company

was due to circumstances beyond his control.

5. If the Company requires medical certification for a Pilot's absence, the Company will pay for the cost of the doctor it has authorized to provide the certification. The requirement for medical certification is an exception procedure and shall be only used when appropriate to the circumstance.

E. General

A Pilot's sick leave balance and STD Leave balance will be reflected separately on his pay statement.

F. Vacation Donation Program

1. Pilots may donate vacation hours to a Vacation Donation Plan pool for the purpose of helping to provide an income for Pilots during the 120-Day waiting period for LTD benefits.

2. The Company agrees to maintain an accounting of vacation hours donated by Pilots and disburse the proceeds to Pilots as sick leave under a voluntary vacation donation program administered by the Union provided such program does not result in the Company paying out more than the value of the vacation hours that have been donated.

a. The Company will provide information concerning a Pilot's sick leave and vacation balances as required by the Union for it to determine eligibility for plan benefits.

b. The Company will pay sick leave to Pilots who are not working from the vacation Donation Plan pool as authorized in writing by the Union.

3. The Union will appoint a Union Vacation Donation Committee (the "Committee") to maintain and publish to the Pilot group the rules and procedures for participation in the Vacation Donation Plan.

a. The Committee will provide the Company with the names of Pilots and number of hours being donated, supported by signed donation authorizations for each participating Pilot.

b. The Company will notify the Committee any time the Plan balance is less than \$5000.

c. Request for use of the Plan may be initiated by contacting the Committee.

SECTION 15: LEAVES OF ABSENCE

A General

The Company will grant Pilots Leaves of Absence and other time off as set forth below.

1. Unless disclosed and part of the express purpose of the leave (as in a Military Leave of Absence or a personal leave granted, for instance, to perform a delivery flight), a Pilot may not perform revenue flying or otherwise work for another employer while on Leave of Absence without the authorization of the Company. Unauthorized work will result in termination of the leave of absence.
2. A Pilot returning from a leave of absence of less than twelve (12) months shall return to the Status he held at the beginning of the leave. If the Status is no longer available, or if his seniority does not permit him to hold such Status, the Pilot shall exercise his Seniority to secure a Status.
3. A Pilot shall retain and accrue seniority while on a leave of absence.
4. A Pilot's return to active service will be coordinated with his Chief Pilot. If training is necessary, the Pilot shall be Assigned to the first available class to qualify him for the Status to which he is returning and his return shall be delayed until the class starts. If the Company should not have a planned class scheduled within thirty (30) Days of the Pilot's return, it shall, by that time, either schedule special training for the Pilot or return him to active service and Assign him to ground duties until his class date.
5. If a Pilot is not able to return to work on his scheduled return date, he shall have an obligation to notify the Company in a timely manner. Failure to notify the Company may be cause for termination unless appropriate notification and arrangements for an alternate return date have been made with his Chief Pilot. If the return is delayed into a Bid Period in which the Pilot has been Assigned or bid a bidline, the Company may reassign the remainder of his current bidline and require him to be available for Reserve Assignment for the remainder of the Bid Period.
6. Administration of Medical Leaves, Recuperative Leaves and Family Leaves of Absence as described below is the

responsibility of the Personnel Department. All requests for these leaves of absence should be submitted by the Pilot on the form prescribed by the Company, together with any supporting documentation, with a copy to his Chief Pilot. Personnel will respond to the Pilot's request by informing him of the type of leave that will be granted, the length of the leave and any benefits that the Company will make available during the leave with a copy to his Chief Pilot.

B. Medical Leave of Absence

A Medical Leave of Absence shall be granted to a Pilot who is unable to work due to illness or injury, provided such illness or injury did not arise out of his employment with the Company. The period of the leave shall coincide with the duration of the disability up to a maximum of five (5) years. If the Pilot returns to work within one (1) year from the first date of missed work due to illness or injury, his Company seniority and Longevity for pay purposes shall be restored. A Pilot on a medical leave shall accrue Longevity only for the first year of such leave.

1. If a Pilot is expected to be disabled for four (4) weeks or more, or is excused from work on account of illness or injury for a period of two (2) consecutive weeks or more without furnishing sufficient information for the Company to ascertain his expected return date, the Company may place him on a Medical Leave of Absence and reassign the remainder of his Awarded bid line(s). Any disagreement over whether the Pilot is medically fit to work shall be settled by use of the Physical Examination section of this Agreement.
2. Sick leave will be paid during a Medical Leave of Absence until it is exhausted. Vacation pay will be paid after sick leave is exhausted, if requested.
3. A Pilot on Medical Leave of Absence shall continue to be covered by the Horizon Air group insurance plan and may continue dependent coverage, so long as timely payment is made therefore, for up to six (6) months. Thereafter, the Company will process an administrative payroll separation and the Pilot may continue group insurance coverage to the extent provided by COBRA, provided he complies with all COBRA requirements.

C. Workers' Compensation Leave of Absence

A Workers' Compensation Leave of Absence shall be granted to a Pilot for the period of time that he receives temporary total disability (time-loss) payments under a workers' compensation statute, or five (5) years, whichever is greater. The leave of a Pilot who is no longer on time loss may be terminated if he fails to provide documentation with respect to his continued disability requested by the Company.

1. A Pilot will be paid any accrued sick leave during the statutory waiting period. The Pilot will pay over to the Company the temporary total disability (time-loss) payments he receives for the waiting period and his sick leave will be credited with the equivalent dollar amount. No other sick leave or vacation will be paid while a Pilot is on a Workers' Compensation Leave of Absence.
2. Seniority shall continue to accrue during a Workers' Compensation Leave of Absence. A Pilot on a workers compensation leave shall accrue Longevity only for the first year of such leave. A Pilot on a Workers' Compensation Leave of Absence shall continue to be covered by the Horizon Air group insurance plan and may continue dependent coverage, so long as timely payment is made therefore, for up to six (6) months. Thereafter, the Company will process an administrative payroll separation, and the Pilot may continue group insurance coverage to the extent provided by COBRA, provided he complies with all COBRA requirements.

D. Recuperative Leave of Absence

A Pilot who has been granted a Medical Leave of Absence may be granted a Recuperative Leave of Absence for a period not to exceed ninety (90) Days for the purpose of rest or recuperation, after a disabling medical condition such as pregnancy. A request for a Recuperative Leave of Absence must be submitted at least thirty (30) Days in advance of the intended start date for approval. A Pilot shall continue to accrue seniority while on a Recuperative Leave of Absence.

1. Any accrued sick leave available after the preceding Medical leave will be paid during a Recuperative Leave of Absence until it is exhausted. Vacation pay will be paid if requested.
2. Any portion of the six (6) months of continued coverage under the Horizon Air Group insurance plan that has not been

used during the preceding medical leave of absence, including dependent coverage so long as timely payment is made therefore, shall be provided to a Pilot on a Recuperative Leave of Absence.

E. Family Leave of Absence

Family Leaves of Absence, as described below, are legally required by Federal and some State's laws when specified conditions related to the number of employees working at the employee's work site are met. However, it is the intent of the Company that the Family Leaves available in accordance with this Family Leave policy be made available to all full-time and part-time employees who otherwise qualify, even if the federal or applicable state law would not require the granting of the leave in the case of a particular employee because the number of employees working at or near his or her work site location are too few.

1. Pilots eligible for Family Leaves of Absence may also be eligible for Medical and Recuperative Leaves of Absence under which greater benefits are provided. A Pilot who is eligible for both a Family Leave and a Medical or Recuperative Leave shall be granted both leaves concurrently and shall be provided the benefit of the more liberal leave benefit provisions while eligible for that leave.

2. This Sub-Section E shall be interpreted so as to provide every legally required benefit of Federal and state Family leave laws to the extent that such laws would require such benefit in the particular case of the Pilot involved. It is the further intent that if a Pilot seeks the benefit of any such Federal or state law in a case in which the Company would not grant a Medical or Recuperative Leave under Sub-Section B or D above, then the Company shall have the right to impose all the conditions and limitations of such laws (except the number of employees working at the employee's work site requirement), including the right to deny the leave if the employee is not legally eligible for it under the applicable law. For example, the Medical Leave of Absence provision provides for a leave of up to five (5) years in duration. However, the Company may make its own medical determination of the necessity for the leave. On the other hand, the federal family and medical leave act provides that this determination may be made by a broad range of "health care providers" selected by the employee, but limits the entitlement to twelve (12) weeks and to employees who meet length of

service requirements, and does not require that the employee be allowed to utilize accrued sick leave. If a Pilot seeks to obtain a leave of absence upon the opinion of a "health care provider" that the Company would not recognize for a Medical Leave of Absence, then the Company may deny the leave if the Pilot is not legally entitled to it, or limit it to twelve (12) weeks and not allow the use of sick leave if the Pilot is legally entitled to the leave.

3. When and as required by the Federal Family and Medical Leave Act (including any similar state law that is not preempted), Pilots will be granted a Family Leave of Absence.

F. Personal Leave of Absence

When the requirements of the service permit, as determined by the Company, a Personal Leave of Absence may be granted to a Pilot who has successfully completed his first six (6) months of Line Flying.

1. A Personal Leave of Absence shall not exceed one (1) year and may be granted for reasons such as family illness or education. Any plan to work on a personal leave of absence must be described in detail as part of the application. Changes in circumstances with respect to the reason for the leave and work plans that occur during a leave must be communicated to the Chief Pilot for approval. A Personal leave may only be extended beyond one (1) year if there are Pilots on Furlough or if staffing levels permit. A Pilot on a personal leave shall not accrue Longevity during such leave.

2. A request for a Personal Leave of Absence must be submitted in writing and requires approval of the Pilot's Chief Pilot. The request must state the reason for the leave, the commencement and expected date of return, both of which must coincide with the beginning of a Bid Period. A Pilot desiring to return to work prior to the date of expiration of the leave must give at least two (2) weeks notice prior to the new expected date of return and may only return to work early with Company approval.

3. A Pilot on a Personal Leave of Absence may continue group insurance coverage to the extent permitted by COBRA, provided he complies with all requirements of COBRA.

G. Military Leave of Absence

A Military Leave will be granted as required by Federal law and regulations applying thereto. A Pilot's right to return to employment, seniority, and benefits shall be governed by and limited to the protection afforded in the Uniformed Services Employment and Reemployment Rights Act (USERRA) as currently in effect or as hereafter amended.

1. A Pilot participating in Reserve or National Guard training is required to give the Company notice and is encouraged to submit written notification indicating the inclusive dates of anticipated Duty accompanied by military orders, as early as possible. For requests for Military Leave in support of active Duty for training, military orders should accompany the request at the earliest possible date. (Orders do not have to be in hand prior to the beginning of the active Duty tour.) All requests for Military Leave should be submitted to the Chief Pilot orally or by letter.
2. Pilots should attempt to bid for lines that do not conflict with their Reserve or National Guard obligations. However, if a conflict occurs the Pilot must notify his Chief Pilot and Crew Scheduling as soon as the conflict is known to exist. Alterations to the Pilot's bidline will be made if necessary to ensure that he can comply with his military orders.
3. For workdays lost, the Pilot may elect to take leave without pay or use accrued vacation hours to prevent Loss of Pay.
4. In addition to inactive Duty for training (monthly meetings) and active Duty training, occasionally Reservists and Guard members are called to extended active Duty, either voluntarily or involuntarily. For extended Military Leave, a Pilot's right to return to employment, their seniority, service credit and benefits will be governed by and limited to the protection afforded in the USERRA and the U.S. Department of Labor's Re employment Rights for Veterans in effect or as hereafter amended. These rights are a matter of law, not Company policy.

H Leaves of Absence for Maternity

A Pilot who is pregnant may request a Personal leave of Absence to cover the period of pregnancy before she is entitled to a Medical Leave of Absence and a Recuperative Leave of Absence for the period after her period of disability. She may submit a combined

request for these leaves to cover the entire period of time from when she wants to stop working until the time she plans to return to work. The Company will provide a single form for Pilots to make a combined request for a maternity Leave of Absence. A Chief Pilot may delay the beginning of the Personal Leave of Absence or curtail the Recuperative Leave of Absence if he believes that a serious staffing shortage will exist; if not, the maternity Leave of Absence will be granted for the period requested.

1. In the case of a combined maternity Leave of Absence, or if a Pilot wants to plan her Medical Leave of Absence before she is disabled, the Company will presume the Pilot is disabled commencing with the beginning of the sixth (6) month of pregnancy and ending four (4) weeks after the actual date of childbirth or miscarriage and will treat that period as a Medical Leave of Absence; however a Pilot shall be entitled to a Medical Leave for any period (not to exceed five (5) years) that she is disabled and not medically fit to perform her Pilot duties.

2. A Pilot is encouraged to notify her Chief Pilot upon discovering that she is pregnant, but shall not be required to do so until she enters her 4th month of pregnancy. Provided that she remains medically fit to perform her work, a Pilot who is pregnant may continue to work through the 6th month of her pregnancy. The Company will loan a Pilot who continues to work two (2) maternity uniforms which must be returned in usable condition, cleaned and pressed, when the Pilot goes on maternity leave.

I. Bereavement Pay

A Pilot may be granted up to three (3) consecutive working Days off without Loss of Pay when needed in connection with the death of an immediate family member. Immediate family members include the Pilot's parents, grandparents, spouse, children, brothers and sisters and his spouse's parents and children. The Chief Pilot will grant vacation time for others than those listed herein on a case-by-case basis. Bereavement pay must be approved by the Pilot's Chief Pilot and shall only be granted as needed to attend the funeral and to handle affairs made immediately necessary by the deceased person's death, such as arranging the funeral. Pilots needing additional time may ask for sick leave or a personal leave of absence as appropriate. The Chief Pilot's determination of the amount of time off and pay status (sick leave, vacation, or personal leave of absence) shall be final.

J. Jury Duty

A Pilot who is summoned for jury Duty will not suffer any Loss of Pay or seniority as a result of performing jury Duty. A Pilot who is called for jury Duty must advise his supervisor as soon as possible after being notified of his call for Duty so that coverage of his bidline may be arranged. Unless the Pilot is able to arrange his jury Duty with the Court in advance, or if the Court requires regular Monday through Friday reporting for a week or more, the Company will drop all trips from his schedule during his period of jury Duty. In either case, the Pilot is expected to report his availability for work if he is released from jury Duty for any Day. If the Pilot is able to arrange his jury schedule with the court, he will be expected to fly on all scheduled workdays that do not conflict (including trips on weekends and court holidays). So long as the Pilot pays to the Company all pay received for performing jury Duty, and reports his availability for work as required, the Company will continue to pay him the pay he would have received while the jury Duty continues.

SECTION 16: FILLING OF VACANCIES

A. Vacancies

A Vacancy is an unfilled Status established by the Company which will be filled by seniority-based bidding, and then, absent a bid from any Pilot who is qualified and not disqualified under the provisions of this Section, by Assignment. New hire Pilots will be Assigned to an Equipment Type by the Company provided the Vacancies to which they are Assigned have not been bid by any qualified and eligible bidder. New hire Pilots will be allowed to bid for open Base Positions.

1. Attrition, through employee terminations, resignations, Retirements, and deaths, leaves of absence and the voluntary bidding of Pilots to fill other Vacancies, is used to Reduce or move staffing while minimizing the need for Reductions and Upgrade and Transition training.
2. Therefore, the existence of a Status before such a change will not necessarily result in the Company establishing a Vacancy for that Status after such change.

B. Permanent Bids

The Permanent Bid Form is the means by which a Pilot bids to change his Status.

1. To indicate a preference for a change of Status, a Pilot will submit a Permanent Bid Form to the Chief Pilot's office by mail, co-mail, facsimile, or in person.
2. Such Bid Forms will be maintained by the Company and a summary of the bids will be reduced to a list maintained in the Permanent Bid File which shall be available at each Base for inspection by any Pilot during normal business hours.
3. For purposes of Awarding bids, the Company shall use the most recent Permanent Bid Form on file with the Company on the Thursday before the last Friday of each Bid Period, for training commencing between thirty-eight (38) to seventy-two (72) Days from that date. With mutual consent between the Union and the Company, Vacancy Awards may be made for training that is to commence beyond the time set forth above. It is the Pilot's responsibility to ensure his Permanent Bid Form is actually received.

4. The Permanent Bid File list shall be published with the PSSSL on the last Friday of each Bid Period, which date will be the closing date for those bids (the "Bid Closing Date").

C. Upgrades and Transitions

Upgrade and Transition Vacancies shall be filled in order of the seniority of the qualified bidders who are not ineligible, as described below. Unless the Pilot has limited his options in his preference bid, an Upgrade may result in a change of Base or Equipment Type or both.

1. A Pilot may remove his bid or decline his selection any time before the required training begins. However, if a Pilot declines his selection more than three (3) working Days after publishing of the training plan showing his selection, he will be precluded from submitting another bid for the following five (5) Bid Periods unless the Company excuses the Pilot's withdrawal for a personal hardship occurring after his selection.
2. In the event the Company decides to replace the Pilot who declined his selection for Upgrade or Transition, it shall choose his replacement from the same Permanent Bid File list used for the original selection, in order of seniority. However the Award may be modified, as, for instance, to change the Base where the Pilot will be Assigned. Any Pilot who is provided the opportunity to replace a Pilot who has declined selection shall be provided a minimum of two (2) Days to make his decision; he will not be precluded from bidding again if he declines the selection.
3. In the event that an Upgrade or Transition Award is made and then the planned training ground school canceled, the bid Award shall be canceled.

D. Base Changes

A Pilot may bid for a Base Vacancy at any time. Base Vacancies shall be filled in order of the Seniority of bidders.

1. When Vacancies occur at an existing Base, the Company may limit the Award to bidders already holding the same Position when there is no overall system increase in that Position and when the movement is made to better align Pilots with the Company's flight schedule needs.
2. When Vacancies occur at a new Base, or in an Equipment Type not previously operated at a Base, the Company shall

provide notification to Pilots at least thirty-five (35) Days before the Bid Closing Date for such Vacancies.

3. A Pilot may not decline his Base selection after his bid has been Awarded.
4. The Company will consult with the Union prior to the opening of a new Base.

E. Temporary Base Vacancies

A temporary Vacancy occurs when the Company determines there is a requirement for a Pilot in a Status of a duration of no less than one(1) Bid Period and no longer than four (4) Bid Periods at the same time there is a temporary Pilot excess in the same Position at one or more other Bases.

1. The Company will post notices of a temporary Vacancy at those Bases from which it is willing to allow a temporary transfer.
2. If there is more than one bidder for a temporary Vacancy, it will be Awarded to the most senior.
3. A Pilot will be provided lodging at Company expense at the temporary Base.
4. The Company shall provide one round Trip positive space pass for a temporary Base Assignment.
5. A Pilot will be paid per diem from the time he departs by air for a temporary Base Assignment until the time his return flight arrives at his Base.
6. By mutual agreement, the Pilot may drive his own automobile to and from a Temporary Base Assignment and the Company will reimburse the Pilot at the current rate allowed by the IRS for business travel. If travel by private automobile is authorized, per diem will be paid from the report time at the temporary Base until the end of the Assignment at the temporary Base.
7. If there are no bidders for a temporary Vacancy, it shall not be filled involuntarily.

F. Limitations on Vacancy Bidding Rights (Equipment Locks)

Following are limitations on the rights of Pilots to bid for Vacancies under this Agreement.

1. A First Officer may only bid for a different Equipment Type when:
 - a. bidding for an Upgrade; or
 - b. he has at least four(4) years Longevity
2. A First Officer who bids and is Awarded another First Officer Position shall be;
 - a. eligible for another First Officer Position after four years,
 - b. eligible to Upgrade on the same Equipment Type after one (1) year,
 - c. eligible to Upgrade into another Equipment Type after two (2) years.
3. A Captain may bid for a different Equipment Type with a higher pay scale if he has been in the Position for a period of one (1) year from completion of training.
4. A Captain may only bid for a different Equipment Type with the same or lower pay scale if he has been in the Position for a period of two (2) years following completion of training.
5. A Pilot bidding a lower-paying Equipment Type or Seat will be locked in the new Position for two years (2) following completion of training.
6. A Captain will not be Awarded a bid for a First Officer Position except to avoid an involuntary realignment to a different Base or a specific demonstrated hardship.
7. A Pilot may be restricted from upgrading or Transitioning when within two (2) years of FAA mandated Retirement. A Pilot, so locked, will be paid at the higher Equipment or Seat hourly rate and guarantee commencing when a Pilot who is junior to him is Awarded the Position and successfully completes training, or, if that Pilot does not successfully complete training, retroactively to eight (8) weeks after the date that Pilot entered training.
8. New Aircraft. Equipment lock restrictions will be waived for any Captain who bids for a Captain Position on a new aircraft type with an equal or higher rate of pay if he was Awarded his current Position before the Company announced the introduction date for such new aircraft.

9. The Company may waive Equipment locks for Pilots of the same Position bidding on the same bid on a uniform and non-discriminatory basis.

10. A Pilot involuntarily Displaced into a Position shall not be subject to a lock in such Position. An Equipment lock will not apply to a Pilot exercising his Displacement rights.

11. As used in this Subsection G, Equipment Type includes a different Series of the same Equipment Type if that different series is treated as a separate bidding group.

G. Bypass Provisions

The Company may elect to place a junior Pilot into training ahead of a senior Pilot who has successfully bid the same Status for a period not to exceed six (6) months. This period may only be extended with the consent of the Pilot. Prior to such bypass, the Company will meet with the Union and explain the operational reasons for the bypass.

1. The bypassed Pilot will be compensated at the rate of the new Status commencing when the bypassing Pilot either successfully completes training, or, if that Pilot does not successfully complete training, retroactively to eight (8) weeks after the date the bypassing Pilot entered training. A bypassed Pilot's new Status pay shall be terminated if:

- a. He changes his bid such that he would not be Awarded the first available training class.
- b. He fails to attend the first available training class which he is asked to attend, or
- c. He fails to successfully complete the training.
- d. He is Awarded a Position in a training class for a different Position.

2. The bypassed Pilot's pay will be calculated from his total pay/credit in the Status he continues to fly.

H. Training Contracts

The parties agree that during the life of this Agreement that the policy set forth at the top of page 11 of the Flight Crew Policy Handbook, effective October 1997, may be continued by the Company. The Policy will be changed only with the concurrence of the Union.

I. Qualifications for Upgrade and Transition Training

Qualifications for Upgrade or Transition Training shall be as established and published by the Company. The Company may waive, reduce, or make less the qualifications for any bid provided that such change applies equally to all Pilots participating in that bid.

J. Involuntary Filling of Vacancies

Should there be no bidder for a Vacancy, the Company may Assign qualified Pilots in inverse order of seniority.

SECTION 17: REDUCTION, DISPLACEMENT, FURLOUGH AND RECALL

A. Reduction

A Reduction occurs whenever a Pilot will be Furloughed or involuntarily moved to a different Status (Displacement) or upon announcement of a Base closure. Prior to starting a Reduction the Company will consult with the Union on implementation of the Reduction.

1. Reduction Bids. The Reduction Bid Form is the means by which a Pilot makes known his Displacement preferences in case of a Reduction.
 - a. To indicate a preference for Base, Seat and Equipment Type in a Reduction, a Pilot will submit a Reduction Bid Form to the Chief Pilot's office by mail, co-mail, fax, or in person.
 - b. Such Bid Forms will be maintained by the Company and a summary of the bids will be reduced to a list maintained in the Reduction Bid File which shall be available at each Base for inspection by any Pilot during normal business hours.
 - c. The Company will provide no less than thirty (30) Days notice before the Reduction effective date to allow Pilots time to submit Reduction bids.
 - d. For purposes of Awarding Reduction bids, the Company shall use the most recent Reduction Bid Form on file on the Day before the list maintained in the Reduction Bid File is published (Thursday before the last Friday of each Bid Period). It is the Pilot's responsibility to ensure his Reduction Bid Form is actually received.
 - e. The Reduction Bid File list shall be published with the PSSS on the last Friday of the Bid Period preceding the Bid Period in which the Reduction shall occur, and the Awards published the following week.
2. Reducing a Pilot. A Pilot is Reduced when there is a Reduction and that Pilot's Status is determined to be excess.
 - a. A Pilot being Reduced may Displace to a Status his seniority will allow him to hold as follows:
 - (1) To a different Equipment Type at his Base or to the same Equipment Type at a different Base; or

(2) if he can do neither of the above, to a different Equipment Type and Base.

- b. A Pilot may not Displace to an Equipment Type or Position in which he previously failed to qualify on his last Upgrade or Transition attempt, except to avoid Furlough.

B Displacement

Displacement is the movement to a new Status of a Pilot who has been Reduced or Displaced.

1. A Pilot who has been Displaced may Displace another Pilot as described in a. and b. above.
2. A Pilot who is Reduced to another Status will Displace the most junior Pilot in that Status.
3. A Pilot displacing to a different Equipment Type or Seat shall be paid at the rate for his new Equipment Type or Seat commencing thirty (30) Days following the effective date of his Displacement, even if the required training to qualify for the new Equipment Type or Seat has not been completed.
 - a. However, if the Pilot is required to continue to fly in revenue service while awaiting retraining, he shall continue to be paid at his pre-Displacement rate.
 - b. The Company may take into consideration its need for an Equipment Type in the flight schedule and the efficiency gained by training Pilots together in classes when determining its order of training classes when several Pilots who have been Displaced are in need of training, Pilots shall be allowed to exercise their seniority rights in selecting class Positions in the training classes scheduled by the Company .
4. A Pilot who is Displaced and who has not submitted a bid for a Status he has the Seniority to hold shall be Assigned by the Company to a Status his Seniority will allow him to hold.

C. Furlough

A Pilot whose Seniority does not enable him to hold a Status during a Reduction shall be Furloughed.

1. Pilots on Furlough shall maintain a current address with the Chief Pilot or his designee.
2. A Pilot shall not accrue Longevity during Furlough unless

recalled within a period of less than one (1) month from the date of Furlough.

3. Seniority shall accrue during Furlough.

4. Pilots scheduled for and notified of their Furlough shall either be Furloughed at the same time or in reverse order of Seniority. Should any Pilot scheduled and notified of his Furlough be retained in pay status beyond his effective Furlough date, all Pilots Senior to him who have been similarly scheduled and notified of Furlough also shall be retained in pay status.

5. A Pilot who is working on a project for the Company may continue in such work, but may not fly except for currency or any flying directly related to the project during a Furlough, if he would have been Furloughed according to his seniority. Longevity will not accrue during the period that such Pilot would have been on Furlough if not working on the project. The retention of a Pilot for such a project shall not cause Pilots senior to him who have been Furloughed to be retained, or placed in, a pay status pursuant to C.4. above.

6. A Pilot Furloughed continuously for four (4) years will be removed from the Seniority list.

D. Voluntary Furlough

1. Procedure

a. The Company agrees to offer Voluntary Furloughs in every Status where Captain Reductions (Downgrades) or the Furlough provisions of the Collective Bargaining Agreement (Section 17. C Furlough – hereafter “Involuntary Furlough”) are projected, except that:

(1) The Company may limit the offer of Voluntary Furloughs to a specific Status to meet Company needs. This situation would only apply when required Involuntary Furloughs in a specific Status would preclude further Voluntary Furloughs.

(2) In the event that the Company does not offer Voluntary Furloughs in each Status for which Involuntary Furloughs are planned, the Union shall be notified.

b. Pilots will be Awarded Voluntary Furloughs in accordance with the seniority of those who have responded to the offer.

c. Voluntarily Furloughed Pilots will be provided an opportunity to return to service after ten (10) Bid Periods. Voluntarily Furloughed Pilots may decline recall (for another ten (10) Bid Period) until there is no one junior still on Furlough.

d. Duration of Voluntary Furloughs may be modified, in Seniority Order, by mutual consent of individual Pilots and the Company. If a Pilot's Voluntary Furlough is modified, the Union shall be notified.

e. Upon completion of the Voluntary Furlough, a Pilot will return to the line in the Status he held at the beginning of his Voluntary Furlough. If the Status is no longer available, or if his seniority does not permit him to hold such Status, the Pilot shall exercise his Seniority to secure a Status. If a Pilot can not hold a Status at the Base he held prior to his Voluntary Furlough, he shall be eligible for moving expenses as provided for in Section 26 General, Subsection K.

f. If, during the term of a Voluntary Furlough, a Pilot would have been Involuntarily Furloughed had he not been on Voluntary Furlough, his Voluntary Furlough shall be converted to an Involuntary Furlough.

g. A Pilot shall retain and accrue Seniority and Longevity while on Voluntary Furlough.

h. A Pilot on Voluntary Furlough and the Company may, by mutual agreement, allow the Pilot to remain current and qualified in the Status he held prior to his Voluntary Furlough. A Pilot so current and qualified may volunteer to be Assigned open trips in accordance with Section 8 Scheduling, subsection.E.5.f.

2. Benefits while on Voluntary Furlough

a. Travel Privileges

(1) A Pilot (and eligible family members) on Voluntary Furlough shall retain Pass benefits on Alaska Airlines and Horizon Air. Interline and Jumpseat benefits will be unavailable.

(2) Medical Benefits

(a) The Pilot on Voluntary Furlough shall retain Company paid COBRA as follows:

Position	Seniority	Employee	Spouse	Child(ren)	Family
FO	< 4 years seniority	Paid by Pilot	Paid by Pilot	Paid by Pilot	Paid by Pilot
FO	4 - 7 years seniority	Covered	Paid by Pilot	Paid by Pilot	Paid by Pilot
FO	> 7 year seniority	Covered	Covered	Paid by Pilot	Paid by Pilot
CA	All	Covered	Covered	Covered	Covered

(3) Active serve credit for Retirement purposes for twelve (12) months.

E. Temporary Downgrades

A Captain may be temporarily Downgraded to First Officer only if the Company determines that it has a temporary excess of Captains and a shortage of First Officers for an Equipment Type.

1. Temporary Downgrade will be in reverse order of seniority of the Captains.
2. Any Captain so Downgraded will remain at Captain's pay for thirty (30) Days after his Downgrade is effective.
3. A Captain who has been temporarily Downgraded will temporarily Displace the most junior First Officer in his Equipment Type at his Base unless his Base is the Base with the First Officer shortage.
 - a. If the First Officer shortage is at a different Base, the temporarily Displaced First Officer may Displace the most junior First Officer in his Equipment Type at another Base, provided that he is Senior to such First Officer, or fill the Company's First Officer staffing needs by accepting a temporary Base Vacancy Assignment, as described in the Filling of Vacancies section of this Agreement, at the Base with the First Officer shortage.
 - b. If the temporary Displacement process continues until the most junior First Officer in the Equipment Type is affected he shall be Assigned to the Base where the shortage exists as a temporary Base Vacancy Assignment, as described in the Filling of Vacancies section of this Agreement, unless he is already Assigned to that Base.
4. While temporarily Downgraded, a Captain's Vacancy bidding rights shall be those of his original Captain Position.

5. A temporarily Downgraded Pilot shall be restored to his Captain Position within one hundred and twenty (120) Days of the date his pay was reduced. Any First Officers who are still temporarily Displaced when the Captain is restored shall Snap-back, as described below.

F. Time Off Without Pay

Before implementing Furloughs or other temporary staff Reduction measures, the Company will offer Time Off without Pay, as described in Section 18 of this Agreement, in any case where such Time Off without Pay will eliminate the need for involuntary staff Reductions and not cause additional training.

G. Recall

1. Recall following a Furlough will be offered in order of Seniority.
2. Furloughed Pilots shall be notified of recall by certified mail and shall be given no less than twenty-one (21) Days from the date of delivery of such notification to return to Duty.
3. A Pilot may refuse recall if a more junior Pilot is still on Furlough; otherwise, if he refuses recall, his name shall be removed from the PSSSL. A Pilot shall notify the Company of his intent to accept or reject recall within ten (10) Days of delivery of his recall notification.
4. If a Pilot does not respond to a recall notice within ten (10) Days of its delivery, he must wait for a subsequent recall. If a Pilot does not respond to two or more recall notices in a six (6) consecutive month period, his name may be removed from the PSSSL.
5. A recall shall be for a minimum of six (6) months unless the Company notifies the Pilot at the time of recall that it is for a shorter period of time, in which case the Pilot may refuse the recall and remain eligible for recall in future instances.
6. The Company may contact Pilots in order of Seniority by telephone or e-mail and request their voluntary early return to work.
7. Pay and benefit restoration will be based on the actual date of return of a Pilot.

H. Snap-back

Snap-back is the restoration of a Pilot, who has been Furloughed or Displaced, to his Status before the Reduction causing his Furlough or Displacement.

1. A Pilot who has been recalled from Furlough, or who has been Displaced, will Snap-back if there is a Vacancy in his original pre-Reduction Status within six (6) months of the date he was Reduced or Displaced. If more than one Pilot has been Displaced from the same Status, Snap-back shall be in order of Seniority.
2. Except when Snap-back is applicable, a Pilot returning from Furlough will be Assigned to the then open Status, or Vacancy.
3. Vacancies not filled through Snap-back will be Awarded to bidding Pilots in accordance with the Filling of Vacancies provisions of this Agreement.

SECTION 18: TIME OFF WITHOUT PAY

A. Purpose

The purpose of Time Off Without Pay (TOWP) is to attempt to stabilize crew complements and to minimize Pilot Furlough.

B. Offering Time Off Without Pay

1. If the Company has excess Pilots in a Status, it may TOWP to Pilots in that Status.
2. When such time is available, Pilots will be authorized TOWP in accordance with the seniority of those who have responded to the offer TOWP will normally be offered Bid Period by Bid Period.
3. If a TOWP offer does not coincide with the beginning of a Bid Period, or if the Company wants to establish a definite return date, the Company may set the TOWP for any period of time not to exceed two (2) Bid Periods.
4. A Pilot who has been on a TOWP for two (2) consecutive Bid Periods will be ineligible for another TOWP until he has been in an Active Status for at least one full Bid Period if there are more Pilots of the same Status than the Company has need to Reduce at such Pilot's Base.

C. Benefits While on Time Off Without Pay

During a TOWP, a Pilot shall not be paid, but seniority and Longevity shall continue to accrue, coverage under the Horizon Air medical and dental plan for the Pilot and his dependents shall continue, provided all required employee contribution for such coverage is timely made, and the Pilot shall be eligible for air travel benefits, to the extent provided other employees, excluding any interline prohibitions.

SECTION 19: TRANSFERS TO MANAGEMENT

A. Management Pilots

A Management Pilot is any officer, director, or manager of the Company who, after qualifying to be a Pilot, then serves in the Flight Operations Department or in a position with direct authority over the Flight Operations Department without having left the service of the Company or having served in any other capacity.

1. A Management Pilot shall retain and continue to accrue Seniority and Longevity.
2. A Management Pilot may return to Line Flying in the Status he holds.
3. A Management Pilot may participate in all Vacancy bids and will be Awarded a new Status in accordance with the permanent bid file and his seniority, the same as a Regular Line Pilot.
4. The Vacancy Award will reflect the Position Awarded to a Management Pilot with a suitable annotation to indicate that such Management Pilot will not actually fill the Status while he is a Management Pilot, but that the Company will then Award the Vacancy to the next senior bidding Pilot who bids for the Vacancy.

B. Other Non-flying Positions

A Pilot who transfers to any position in the Company outside of Flight Operations other than as described in A. above, shall retain, but not accrue, Seniority for one (1) year from the date of such transfer. During the one (1) year period that the Pilot retains Seniority, he may elect to return to Line Flying.

1. Such Pilot may return to Line Flying only in the Equipment Type in which he was last qualified unless the Company directs him to qualify in another Equipment Type because of a lack of need for Pilots in his last Equipment Type.
2. If a non-flying Pilot returns to Line Flying, he may select his Seat Position and Base in accordance with his seniority.

C. Management Line Flying

A Management Pilot shall not be Assigned to trips that are made available for Pilot bids as part of the normal bid routine more than

twenty-eight (28) Days in a calendar quarter. However this limitation shall not apply if such flying is needed:

1. To meet regulatory requirements, such as Initial or Consolidation experience.
2. To perform checking, training, or supervisory duties.
3. To cover an Open Time Trip as described in the Scheduling, Section 8, subsection G, Assignment and Open Time Trip Adds.

D. Probationary Pilots Transferred to Management and other Non-flying Positions

After the effective date of this Agreement, any Pilot who becomes a Management Pilot or who transfers to another non-flying position prior to completion of his probationary period shall be required to complete his probationary period if he returns to Line Flying as a Pilot.

E. Discipline of Management Pilots and Pilots in Non-flying Positions

A Management Pilot, or other non-flying Pilot as defined in Subsection B above, with retained seniority who is disciplined by the Company may not avail himself of the grievance and arbitration procedures contained in this Agreement.

SECTION 20: TRAINING

A. Training Curriculum

1. There shall be training curricula for new hires, line Pilots, instructors and Check Airmen, consistent with the Company's FAA-approved training program(s). The training programs will contain objectives and a standardized methodology. A class schedule, which sets forth the timeline for the presentation of a training program, will be issued to a Pilot entering training. Approved training programs will be available for review by the Union during business hours upon request with reasonable notice.

2. Written course materials required for course completion will be issued to Pilots free of charge. The Company will supply each Pilot, for his use in training, a copy of the flight training and Proficiency Check items to be accomplished. A Pilot who has been Awarded a new Position may request a copy of the written course materials any time after his selection; the Company will provide any course materials for the class that are then available, and, if the request so specifies, forward them to the Pilot at his Base.

3. Upon request, the Company will meet quarterly with the Union to discuss training matters of concern to both parties and planned or anticipated changes to training curricula. Major changes to training programs will be discussed with the Union, normally prior to implementation unless the Company is unable to do so. The Union shall be invited to provide input into the development of new training programs.

B. Assignment To and Release From Training

1. A Pilot will enter training, as necessary, for his Awarded new Position. However, a Pilot who is in training as a First Officer who has been Awarded or is expected to be Awarded a Captain Position in the same aircraft-type within the ensuing ninety (90) Days shall be offered the opportunity to be type-rated in such aircraft-type provided such training shall be offered in seniority order to such Pilots on the same Award.

2. Pilots will be Assigned to training to accomplish FAA and Company requirements or to correct deficiencies in knowledge, skills and abilities required to perform their duties safely and effectively.

3. Training begins when a Pilot reports to the training facility and ends when he is released from training by the Training Department or upon completion of Operating Experience, if required.
4. A Pilot in training will be taken off line for all training, except for OE, Line Checks, emergency exit training or drills or for FAA-mandated special purpose training which occurs on the line. A Pilot may accomplish special purpose training (past examples are TCAS and F28 Galley Door training) that may be presented via video, computer based training, or other appropriate media, without being removed from line duties. This special purpose training shall not exceed one (1) hour in duration.
5. A Pilot shall be released from training prior to its completion only when:
 - a. A personal emergency situation occurs, (for example a serious illness or injury documented by competent medical opinion, or a personal obligation agreed to by the Chief Pilot) which precludes the candidate from progressing with the class as scheduled; or
 - b. He withdraws or is withdrawn from training; or
 - c. Otherwise determined by the Training Review Board (TRB).
6. A Pilot whose training is interrupted because of his unavailability pursuant to subparagraph 5a. above shall be provided with appropriate retraining when his training is resumed.

C. Scheduling and Notification of Training and Proficiency Checks

1. All Curricula
 - a. Except for Line Checks, training pursuant to an emergency AD, and FAA-mandated training which must be accomplished within three (3) Days, or other training pursuant to a recommendation from the TRB which is scheduled to commence in less than three (3) Days, a Pilot Assigned to training will be so notified at least three (3) Days prior to the commencement of training provided the Company has the information available at that time. A Pilot shall have the right to waive notice.

b. A Pilot Assigned to a Proficiency Check, Training in Lieu, or LOFT normally will be so notified on the bid schedule. Pilots Assigned to a Proficiency Check, Training in Lieu, or LOFT not on the bid schedule will be so notified at least three Days prior to the date of the check or training. A Pilot shall have the right to waive notice. The Company may substitute a Proficiency Check for Training in Lieu or LOFT; and Training in Lieu or LOFT for a Proficiency Check without further notification.

c. Training will not be scheduled for more than five (5) consecutive Days, excluding Deadhead only Days, without scheduling at least the ensuing Day Off. However, as an exception to the above, training for any one week in a multi-week training program or in a one-week training course, may be scheduled for six (6) consecutive Days if such week consists entirely of ground training.

d. A Pilot shall not be scheduled to attend training for more than eight (8) classroom hours a Day.

e. A Pilot shall not be scheduled for more than five (5) hours of training in an aircraft, flight simulator, or any combination thereof, during any Day. Of those five (5) hours, a Pilot shall not be scheduled for training or the checking of his own proficiency for more than two and one half (2 1/2) hours except for Training in Lieu or LOFT.

f. When there is more than one Pilot trainee in the aircraft or simulator, there will be a break after no longer than two hours and thirty minutes (2:30) of training.

g. A Pilot will not be required to commence any Proficiency Check and associated oral or written examination after any Duty Assignment on that Day, excluding Deadheading to the check ride and/or training associated with the Proficiency Check. When a Pilot is scheduled to Deadhead to such check and related examinations, the examination/check shall not be scheduled to begin more than eight (8) hours after the Pilot's scheduled reporting time for his Deadhead Trip. A Pilot shall have the right to waive this provision.

h. Immediately prior to commencing a flight training session, whether in a simulator or an aircraft, including a Proficiency Check or oral examination (or combination thereof), Training in Lieu, or LOFT, but not a Line Check, a Pilot shall be given at least ten (10) consecutive hours

of rest. However, if a Pilot Deadheads to training and the scheduled Deadhead Time is not more than six (6) hours, he may be provided with the rest prior to the Deadhead. Upon completion of a flight training Duty period plus ten (10) consecutive hours of rest at the Pilot's permanent or temporary Base, a Pilot may be returned to Line Flying. A Pilot may waive the rest requirements of this paragraph.

i. A Pilot shall be given at least ten (10) hours of rest between each flight training session whether in the simulator or aircraft. A Pilot may waive the rest requirements of this paragraph.

2. Initial, Transition, Upgrade, Differences and Re qualification Training

a. On the final bid Award, a Pilot will be scheduled for two (2) Days free from all Duty between the conclusion of ground training of ten (10) or more total Days and the commencement of flight training; a Pilot's scheduled OE trips shall be followed by no less than two (2) Days that are scheduled to be free from all Duty.

b. A Pilot shall be given a minimum of ten (10) Days free from all Duty in a five (5) week Bid Period, in which he has been Assigned to training for more than two (2) weeks. Days off at a training site will be counted towards the ten (10) Day minimum.

c. If flight training extends beyond fourteen (14) Days away from Base while in North America, a Pilot will be permitted, upon request, to return to Base for two (2) consecutive Days and then return to flight training. Additional Days off required in flight training may be away from Base. If a Pilot elects to remain at the training site on Days off, he shall be provided with lodging and expenses as provided in the Travel Expense provisions of this Agreement.

3. Training Evaluations

a. A Pilot will be given an opportunity to become familiar with and adapt to the characteristics of a flight simulator before being required to take a recurrent Proficiency Check in that simulator. This familiarization may last up to ten (10) minutes. The Pilot may waive this requirement.

b. No maneuvers will be required during a Proficiency Check-ride, Training in Lieu, LOFT, OE or Line Check other

than those included in the Company's FAA approved training program or those required by the FAA.

c. Recurrent check rides, Training in Lieu, and LOFT sessions will be scheduled between 0500 and 0100 local time unless no sessions are available for the required training within those hours, in which case such sessions may be scheduled between 0100 and 0500 local. Scheduling priority for simulators and aircraft between 0500 and 0100 shall be for training evaluations, with training fit around the evaluations as much as practicable.

d. A Pilot who has attempted but not successfully completed an oral examination, a Proficiency Check-ride, Training in Lieu, LOFT, OE or Line Check may request a change of both instructor and Check Airman for his recheck. Such request will be granted if there are additional instructors and/or Check Airmen available.

D. Training Progressions

1. Training Review Board (TRB)

"Training Review Board" means a board established by the Company and the Union consisting of the Chief Pilot, Director of Training, and two Union Professional Standard Committee representatives, or their respective designees, for the purpose of addressing a Pilot's training deficiencies consistent with the provisions of this Agreement. The TRB may withdraw a Pilot from training consistent with the terms of this paragraph or may provide additional training at any point during the Pilot's training program. The maximum amount of additional training that the TRB may recommend is a repeat of up to 50% of the curriculum of the failed phase of training.

a. Any meeting of the TRB shall require a quorum of the TRB which shall consist of at least two (2) members, one of whom shall be a Union member. Any member of the TRB may convene a meeting, notice of which may be by any method agreed to by the parties. Prior to making any decision, the TRB will consider input by interested parties presented by TRB members or, time permitting, by the parties.

b. The TRB may be convened at any time during a Pilot's training program and may consider a training problem brought to its attention at any time. A Pilot who is not

recommended for a Proficiency Check shall be referred to the TRB. Meetings of the TRB shall be in person or by telephone.

c. The TRB shall act by majority decision which will be written or oral and later reduced to writing. If there is no majority decision, the Chief Pilot's decision will prevail.

d. The provisions for TRB involvement in this Training Progressions sub-section shall not apply to probationary Pilots.

2. Initial, Transition, Upgrade, Differences and Re qualification Training

a. The Company will provide ground and flight training as outlined in the Company's FAA-approved training program. Additional training, such as instrument scan and procedures training, may be implemented at the Company's discretion.

b. A Pilot must successfully complete each phase of ground training before progressing to flight training. A Pilot who does not successfully complete a phase of training will be provided with additional training prior to reexamination. If a Pilot does not successfully complete the second examination, or fails an examination on any two phases, he will be referred to the TRB.

c. The flight training events will be graded as satisfactory or will reflect that the Pilot continues to train on that item. A Pilot who has not completed all scheduled items will progress to the next period provided there is a reasonable expectation that the Pilot will complete the flight training and Proficiency Check successfully during the remaining scheduled flight training periods. If such reasonable expectation does not exist, the Pilot will not be recommended for a Proficiency Check, will be withdrawn from training and will return to another Position pursuant to paragraph j. below.

d. During the last scheduled period of the flight training syllabus an instructor will determine the Pilot's readiness for a Proficiency Check. A Pilot who cannot be recommended at that time will be given up to two (2) additional hours of training. A Pilot who does not satisfactorily complete all scheduled items or who is not recommended for a Proficiency Check after two (2) additional hours, as provided above, shall, at Company discretion, either be given

additional training or be referred to the TRB. If the Pilot is withdrawn, he will return to another Position pursuant to paragraph j., below.

e. A Pilot who successfully completes ground and flight training, but is unsuccessful in his first Proficiency Check shall be provided additional training on maneuvers graded unsatisfactory and rechecked. A Pilot who does not meet the required standard after his second Proficiency Check will be referred to the TRB. If withdrawn, the Pilot shall be returned to another Position pursuant to paragraph j., below.

f. A Pilot with a disability who, with reasonable accommodation can meet the Company's proficiency requirements shall have his training program modified as the law may require to provide reasonable accommodation to such individual.

g. A Pilot will complete Operating Experience (OE) where required.

h. Operating Experience (OE)

(1) A Pilot will continue in the OE approved training program provided successful completion is expected within a reasonable period of time after the FAA specified minimum requirements. Upon completion of the OE syllabus a Pilot will be:

(a) Given a Line Check, or

(b) Provided with additional training and/or OE and then given a Line Check.

(2) A Pilot who does not meet the required Line Check standard shall, at Company discretion, either be given additional training or be referred to the TRB. If the Pilot is withdrawn, he will return to another Position pursuant to paragraph j., below.

(3) A Pilot who does not meet the required standard after a second Line Check will be withdrawn from training and will return to another Position pursuant to paragraph j., below.

i. A withdrawal from training pursuant to paragraph 5b of Sub-section B of this section, will be considered a failure. The Pilot may return to his previous Position, or a Position in which he was previously qualified if his previous aircraft

type is not available, with appropriate training. This option requires the removal of the Pilot from the Position for which he was being trained and he shall be ineligible to bid for a new Position for twelve (12) months.

j. A Pilot who is withdrawn by the Company or the TRB pursuant to paragraph 5b. or c. of Sub-Section B of this Section from his first attempt at an initial, Upgrade, Transition, differences or re qualification training program shall have the following options:

(1) Captain Position Training

OPTION 1

A Pilot may return to his previous Position, or a Position in which he was previously qualified if his previous aircraft type is not available, with appropriate training. This option requires the removal of the Pilot from the Position for which he was being trained and he shall be ineligible to bid for a new Position for twelve (12) months.

OPTION 2

A Pilot may be Assigned as a First Officer, but continue to be paid at the rates applicable to his previous Position, for a period not to exceed six (6) months on the aircraft-type for which the training was attempted, provided he can qualify for such Position. A Pilot attempting to qualify under this paragraph as a First Officer will be given two (2) hours training, then a Proficiency Check. If he is unsuccessful at the first Proficiency Check attempt, he will be given an additional two (2) hours of training and a second Proficiency Check. If he is unsuccessful in qualifying following a second Proficiency Check attempt, continued employment shall be at Company discretion. Following service as a First Officer pursuant to this paragraph, the Pilot will be given four (4) flight training periods and a type/Proficiency Check to attempt to qualify as such Captain. If the Pilot is unsuccessful on the type/Proficiency Check, his continued employment shall be at Company discretion. This option 2 shall only be available to a Pilot who has previously qualified as a First Officer on the aircraft-type and who can

qualify again for such Position without OE.

(2) First Officer Position Training

A Pilot may return to his previous Position provided he can qualify for such Position and be ineligible to bid out of such Position for twelve (12) months. A Pilot attempting to qualify under this paragraph in his previous Position will be given two (2) hours training, then a Proficiency Check. If he is unsuccessful at the first Proficiency Check attempt, he will be given an additional two (2) hours of training and a second Proficiency Check. If he is unsuccessful in qualifying following a second Proficiency Check attempt, continued employment shall be at the discretion of the Company. If a Pilot cannot return to his previous Position due to a lack of seniority or the Position's non-existence, he shall return to a Position in which he was previously qualified. If none is available, then he can return to any First Officer Position he can hold in accordance with his system seniority.

k. A Pilot who withdraws or is withdrawn from his first attempt at training for a Captain Position and who elects Option 1 above, and a Pilot who withdraws or is withdrawn from his first attempt at training for a First Officer Position may, after his twelve (12) month waiting period, his seniority permitting and, provided that a Vacancy exists, enter the training program for another Position. The employment of a Pilot who is withdrawn from a second attempt for Position training shall be at Company discretion. A second attempt, as used in this paragraph, means an attempt by a Pilot to qualify for any new Position without his having been successful in qualifying for a new Position since his last failure in an attempt to qualify for a new Position.

3. Recurrent Training

a. The Company will provide ground and flight training as outlined in the Company's FAA-approved training program. A Pilot shall take all required recurrent training and Proficiency Checks.

b. A Pilot must successfully complete required recurrent ground training. A Pilot who does not successfully complete required recurrent ground training will be provided with additional training prior to reexamination.

- c. When a Pilot does not satisfactorily complete a second ground school examination, the circumstances will be reviewed by the TRB. Unless the TRB recommends additional training, continued employment of the Pilot shall be at Company discretion.
- d. Required recurrent flight training will be evaluated in accordance with applicable FAR's and/or FAA guidance material. Completion of scheduled items will be noted.
- e. A Pilot who does not successfully complete a recurrent Proficiency Check shall, time permitting, be given additional flight training in the areas in which he did not demonstrate proficiency during the check and reevaluated in accordance with FAA guidelines and the Company training manual. A Pilot who does not satisfactorily complete such first Proficiency Check shall be provided with additional training and given a second Proficiency Check no more than three (3) Days later or as soon as a simulator period is available.
- f. When a Pilot does not satisfactorily complete a second recurrent Proficiency Check, the circumstances will be reviewed by the TRB. Unless the TRB recommends additional training, continued employment of the Pilot shall be at Company discretion.
- g. A Pilot who fails a third ground training examination after completing any additional training recommended by the TRB or who accepts a third recurrent Proficiency Check-ride and is withdrawn after being unsuccessful on such check ride shall be continued in employment at the Company's discretion.

E. General

1. A Pilot will be given copies of his Proficiency Check reports.
2. Upon request, a Pilot in flight training shall be shown the instructor's or check Pilot's report.
3. A member of the Union's professional standards committee, or designee, may observe a simulator training session, an aircraft training session or the Proficiency Check of any Pilot who requests such observation. Such observations shall be without pay, shall not impinge on the observing Pilot's rest requirements, and shall not interfere with the conduct of the Proficiency Check.

4. Video tapes made of a Pilot's performance in the simulator or aircraft will be shown to the Pilot upon completion of the training session and erased in the Pilot's presence. If erasure is not possible, the Pilot will be given the tape for erasure or disposal.

5. Pilots may not be required to train or be evaluated in the simulator or aircraft if any non-seniority list Pilot, except for FAA personnel or full time training department personnel that are simulator instructor or Check Airmen qualified or a Retired Company Pilot that is serving as a part time simulator instructor or Check Airman, is occupying a Flight Duty station. Non-seniority list Pilots, other than those listed above, may be Assigned to such training under conditions beyond the control of the Company provided the Company first notifies the Union.

6. Prior to final Bid Awards, a Captain scheduled for a Proficiency Check, may request and the Company will provide a qualified Pilot to occupy the right Seat.

SECTION 21: INSTRUCTORS AND CHECK AIRMEN

A. General

1. Pilots whose Duty is to train and evaluate Pilots for the Training Department are classified as Instructors. Pilots whose Duty is to train and evaluate Pilots for the Flight Standards Department are classified as Check Airmen.
2. Operating Experience (OE) and Line Checks on Company aircraft in revenue service shall be conducted only by qualified management Pilots in the Flight Operations Department and those Pilots on the seniority list designated by the Company as Check Airmen.
3. The Company may also Assign Pilots on the seniority list as Instructors or Check Airmen for the purpose of conducting ground training, flight training, simulator training and Proficiency Checking, including LOFT and Training in Lieu.
4. Pilots on the Seniority List who are classified as Instructors and Check Airmen are not Management Pilots.

B. Selection of Instructors and Check Airmen

The selection of Instructors and Check Airmen shall be at the discretion of the Company.

1. Normally, Flight Instructors and Check Airmen will be selected from Pilots who apply in response to a Crew Read File (CRF) solicitation. However, Training Department Instructors and Training Department Check Airmen may be hired directly into such a Position and, when that occurs, will be restricted from bidding a line for a period of time specified in his pre-employment agreement.
2. Check Airmen, Flight Instructors, Simulator Instructors, Ground Instructors (including SPT/CPT instructors) often are, but need not be Pilots on the seniority list if they are not allowed to fly the line, as, for instance, a Retired Horizon pilot or other qualified pilot over sixty 60 years of age hired by the Company, and trainers and instructors furnished by aircraft manufacturers or simulator contractors.

C. Line Flying

1. Instructors and Check Airmen who are on the Pilot seniority list will be scheduled for Line Flying sufficient to ensure personal proficiency and prevent lapse of ninety (90) Day currency. Although they may fly either Seat on the aircraft, if qualified, as Check Airmen or Instructors in the Training Department, when they are flying a Position that has a specific experience requirement that they do not meet, or a Seat that their seniority could not hold under the filling of Vacancies section, they will only perform that flying with a qualified Check Airman. (For example, a Pilot who has been qualified as a Captain for instructional purposes, but who has less seniority than the most junior line Captain of his Equipment Type, or who does not meet the Company's minimum experience for Upgrade may only fly as a First Officer, unless the other Pilot with whom he is paired is a Check Airman.)
2. An Instructor or Check Airman who is on the Pilot seniority list may choose to bid a line if staffing is adequate to excuse him from training or checking requirements during a Bid Period. Bidding for such Line Flying will be in accordance with the Pilot's line seniority number.
3. An Instructor or Check Airman may accept open flying or pick up Reserve Days when he is not required to perform training or checking, in the same way as a line Pilot.
4. While performing line Pilot duties, those Duty/rest and flight time limitations contained in this Agreement apply.

D. Scheduling

1. When there are training or checking duties during a Bid Period, the Company will construct a line of flying for a Check Airman or Instructor who is on the seniority list. Training and checking requirements will be incorporated into these lines.
2. Schedule construction will take into consideration the Instructor's or Check Airman's preferences on matters such as: Days Off; AM or PM show times; one (1), two (2), or three (3) Day trips; or other individual preferences. However, as it relates to training or checking duties, an Instructor's or Check Airman's schedule will be determined by the Training Department or Flight Standards Department, as appropriate.

3. Scheduling limitations set forth for Regular Bid Lines in the Hours of Service Section and Scheduling Sections shall apply to constructed training and checking lines. Simulator instruction or checking, flight instruction or checking, Operating Experience training, and Line Checking will be treated as flight time.

4. The Company agrees to meet with the Union to discuss Instructor and Check Airmen scheduling practices annually or more frequently as may be mutually agreed to by the Company and the Union.

E. Vacation

1. Instructors Assigned to the Training Department shall bid for vacation according to Training Department procedures.

2. Check Airmen shall bid with the line Pilot group according to their current Status.

F. Return to Line Flying

1. An Instructor or Check Airman on the seniority list may return to Line Flying at his request or at the request of the Company, in either case with two complete Bid Periods notice. By mutual agreement between the Pilot and the Company, the effective date of the return may be advanced or delayed.

2. A Pilot in the Flight Standards Department retains his line-flying Status while Assigned as a Check Airman. A Training Department Instructor or Check Airman returning to the line may hold the highest Position for which he is currently qualified and for which his seniority is higher than the most junior Pilot in that Position. In either case, the Pilot may also elect to fill to any Vacancy that his seniority permits him to successfully bid.

SECTION 22: MEDICAL STANDARDS

A. Medical Examinations

A Pilot will not be required to submit to a medical examination in addition to those required by the FAA unless the Company believes that the Pilot's health or physical condition is impaired and believes the Pilot may not be fit to fly as a result thereof.

1. Anytime the Company requires a Pilot to submit to a medical examination, the Pilot will be notified in writing of the specific reason. A Company required medical examination shall be performed by a Company designated Senior AME physician, and shall be paid for by the Company.
2. Any additional medical examination or tests required by the Company shall be paid for by the Company.
3. The physician's report of examination shall include a determination as to whether the Pilot meets the medical standards required to maintain a First or Second Class Medical Certificate. If the physician concludes that the Pilot does not meet the medical standards required to maintain a First or Second Class Medical Certificate, the physician's report shall identify the specific Federal Aviation Regulation at issue (e.g., 14 CFR 67.209(a)(1) Epilepsy).
4. The Company shall notify the Pilot of any medical matters concerning the Pilot that it intends to initiate with the FAA.

B. FAA Medical Certificates

Every Pilot shall maintain the FAA medical certificate required by the FAA for the Seat he holds (e.g. Captain, First Officer).

1. The Company may require a First Officer to maintain the medical standards for a first class medical certificate in order to be eligible to bid for a Captain Position.
 - a. A First Officer who wishes to maintain his eligibility to bid for a Captain Position may allow his first class certificate to lapse to second class, provided he requests an examination for a first class medical certificate when next examined.
 - b. A First Officer must have a current first class medical certificate on file with the Company two weeks before the first Day of an Upgrade class for which he was selected, or within two weeks of selection, whichever is later.

2. Each Pilot must have a copy of his FAA medical certificate on file in the Training Records Department by the 25th Day of the due month.

a. The Company shall notify each Pilot of his due month no later than during the month prior to his due month.

b. A Pilot who fails to submit his required medical certificate on time shall be removed from flight status without pay unless satisfactory arrangements are made with the Chief Pilot in advance of 25th Day of the due month.

3. A Captain who loses his first class medical certificate, but is able to maintain a second-class medical certificate, shall be Downgraded to First Officer in the same Equipment Type and at the same domicile.

4. A Captain who has lost his first class medical certificate, but retained a second class medical certificate, and who regains his first class medical certificate, may reclaim his former Captain Position at the same domicile in his Equipment Type provided his seniority allows him to hold that Status or may bid for a vacant Position per Section 16, Filling of Vacancies.

5. A Pilot who loses his medical certificate altogether shall be placed on a medical leave of absence and shall be eligible to return to work as provided for per Section 15, Leaves of Absence.

C. Medical Review Process

A Pilot who has been medically disqualified from performing Pilot duties as the result of a Company required examination may, at his option, have the case reviewed in the following manner:

1. The Pilot may employ a qualified physician of his own choosing and at his own expense to perform a medical examination of the same type as the medical examination required by the Company.

2. A copy of the findings of the physician chosen by the Pilot will be furnished to the Company designated physician. If the findings of the Pilot's physician verify the findings of the Company designated physician, the findings of the Company designated physician shall be final and binding upon the Pilot and Company.

3. In the event that the findings of the Pilot's chosen physician and those of the Company designated physician are not in agreement, the Company will, at the written request of the Pilot, ask that the two physicians agree upon and appoint a third physician for the purpose of making a further examination of the Pilot, after conferring with the two physicians.
4. Copies of the third, impartial, physician's report will be furnished to the Company and the Pilot. The findings of the third physician shall be final and binding upon the Pilot and the Company.
5. The expense of employing the third, impartial, physician will be borne one-half by the Pilot and one-half by the Company.
6. If a Pilot is removed from flying status by the Company pending resolution of his medical qualification to perform Pilot duties, he shall be paid the credit hours for lost trips and his Bid Period guarantee shall not be reduced until the Company receives its physician's report finding that the Pilot is not fit to fly. If the removal exceeds the current Bid Period, the Pilot will be paid the Minimum Guarantee in subsequent Bid Periods until resolution of medical qualification.
 - a. If a Pilot refuses to submit to a medical examination requested by the Company, or causes delay in the process, he may be removed from pay status during such period.
 - b. If it is found that such removal from pay status was unnecessary, either as the result of an appeal under this medical review process, or a finding under the grievance and arbitration procedure of this Agreement that the Company had not based its requirement for a medical examination of the Pilot on a reasonable determination that the Pilot may not be fit to fly, he shall be paid for all time lost.

D. Fitness For Duty Statement

A Pilot asking to return to Duty after being medically disqualified by his own physician may be asked to provide a physician's statement as to fitness for Duty at the Pilot's expense.

E. Confidentiality

Medical records for Pilots shall be maintained in a single, secure, location separate from other personnel records and in accordance with all applicable federal, state, and local regulations. Access

to medically privileged information obtained during medical examinations shall be limited to the physician(s) performing the examination(s), the, officials of the Company designated by the President as having a “need to know”, and such others as the Pilot may designate in writing. Except as provided in the previous sentence, medical confidentiality between the Pilot and examining physician shall be maintained

SECTION 23: GRIEVANCE PROCEDURE (DISCIPLINE AND DISCHARGE ISSUES ONLY)

A. Representation

1. A Pilot is entitled and will be advised that he may have a Union representative or any other Company employee accompany him to any meeting concerning discipline, or take part in the conference call if that is how the meeting is conducted.
2. The Company will provide at least twenty four (24) hours notice of a meeting with the following exceptions:
 - a. For drug or alcohol testing; or
 - b. Serious misconduct, which in good faith requires an immediate investigation that might otherwise be compromised.
3. In the event the Company has a reasonable basis for an immediate investigation, as in situations described in Subparagraph A. 2. above, such testing and/or investigation may not be delayed by the Pilot or the Union for any reason.
4. The Company may not remove a Pilot from Duty without pay during the term of an investigation and until a decision is reached and implemented, except for alleged violations of the Company's drug or alcohol policy, or when the Pilot is not complying with a Company order to appear for a meeting.

B. Notices and Decisions

1. All notices of disciplinary action or discharge shall be in writing and shall state the reason(s).
2. Copies of all such notices will be mailed to the Pilot and the Union.

C. Pilot Meeting

If the Union or Pilot requests, a meeting will be held within three (3) business Days to review the basis for the Company's disciplinary action and provide an opportunity for the Pilot to testify and review the Company's supporting documentation, including any related recorded conversations between the Pilot and the Company. Following the meeting and any further review prompted thereby, the

Company will provide the Pilot and the Union prompt written notice of its decision to void, modify, or maintain its original disciplinary action.

D. Step 1. Pilot Appeal and Chief Pilot Investigation and Decision

1. If the Pilot disputes the Company's disciplinary action, the Union may file a grievance. In order to be timely such grievance must be filed within fourteen (14) Days following the date the Pilot receives the Company's written disciplinary notice, or the written notice of the Company's decision after meeting, if there has been a Pilot meeting as described in paragraph C above. The Union shall submit the written grievance, setting forth a statement of facts and relief sought, to the grieving Pilot's Chief Pilot or his designated representative. If there has not been a Pilot meeting as described in paragraph C, the Chief Pilot shall provide the Pilot an opportunity to be heard and the Union the opportunity to review its supporting documentation, upon written request.

2. The Chief Pilot shall evaluate the grievance and render his decision as soon as possible, but not later than fourteen (14) Days after receipt of the grievance, or after the Step 1 meeting, if one was requested. Failure to answer within such time shall constitute denial of the grievance which may then be processed to the Board of Adjustment. During the Company's response period, the Chief Pilot shall afford the Union an opportunity to meet with him for the purpose of discussing possible resolution of the grievance.

E. Step 2. Board of Adjustment

Failing settlement at an earlier step, the Union may forward the grievance in writing to the Board of Adjustment within thirty (30) Days of its denial at the previous step.

F. Recorded Conversations and Recording Devices

A recording device may be used during any meeting concerning discipline with advanced notice and by mutual agreement between the Pilot and the Company.

SECTION 24: GRIEVANCE PROCEDURE (CONTRACTUAL ISSUES)

A. Informal Discussion

A Pilot is required to seek resolution of any matter or event adversely affecting him that he believes is a violation of the Agreement through an informal discussion, in person or otherwise, with an Assistant Chief Pilot or the Chief Pilot.

B. Filing the Written Grievance Worksheet

If the matter is not resolved through informal discussion, the Pilot may put his complaint in writing on a Grievance Worksheet form, setting forth the event, the date of the event, the facts surrounding the event, the alleged violation, and submit a signed copy to the Union.

1. As a requirement for a Step 1 grievance, a copy of this Grievance Worksheet form must be forwarded to the Company within twenty-one (21) Days after the Pilot has, or should have had, knowledge of the matter or event giving rise to the grievance.
2. The Union and the Company shall schedule meetings on a monthly basis to review all outstanding Grievance Worksheets.

C. Step 1. Chief Pilot Investigation and Decision

1. For any matter for which a written Grievance Worksheet has been timely filed, the Union may file a grievance. In order to be timely such grievance must be filed:
 - a. the earliest of ten (10) Days from receipt of the Company's written answer to the worksheet, or
 - b. ten (10) Days from the date of the monthly meeting described in Subparagraph B.2. above, or
 - c. within forty-five (45) Days following the date on the Company's copy of the Grievance Worksheet
2. The Union shall submit the written grievance setting forth a statement of facts and relief sought to the grieving Pilot's Chief Pilot or his designated representative.
3. The Chief Pilot shall evaluate the grievance or complaint and render a decision as soon as possible, but not later than twenty-

one (21) Days. A discussion seeking a remedy is encouraged. Failure to answer within such time shall constitute a denial of the grievance, which may then be processed to the next step described in paragraph D.

D. Step 2. Board of Adjustment

Failing settlement at an earlier step, the Union may forward the grievance in writing to the Board of Adjustment within thirty (30) Days of its denial at the previous step.

SECTION 25: SYSTEM BOARD OF ADJUSTMENT

A. Establishment and Purpose

In compliance with Section 204, Title II of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment for the purpose of adjusting and deciding disputes which may arise under the terms of this Agreement and which are properly submitted to it. This Board shall be known as the Horizon Air Pilots' System Board of Adjustment.

B. Composition of the Board

Except when an arbitrator has been added, each Board shall be composed of two (2) members: one selected by the Company; and one selected by the Union.

1. The Company and Union members of the Board shall continue to serve until such time as the party selecting the member shall select a successor, which may be done at any time except during the consideration of the case.
2. Whenever a three (3) member Board will be required for a case, the Company and the Union will promptly attempt to agree on a neutral member to sit on the Board. If the parties are unable to agree on a neutral arbitrator, either party may request selection by the alternate strike method from the list of neutrals selected pursuant to paragraph F.
 - a. Under the alternate strike method, each party shall alternately strike the name of an arbitrator from the list of neutrals with the last remaining neutral being the one selected.
 - b. The parties will alternate in striking first; if there are an even number of arbitrator's on the list of neutrals at the time one is being selected, the party who strikes first shall strike two names on the first strike.
3. The Company and Union members of the Board shall alternate as Chairman and Vice-Chairman of the Board on a yearly basis with the Chairman position being held by the Union member in even-numbered years.
4. By mutual agreement, the Company and Union members of the Board may appoint the neutral arbitrator to hear the case alone and render the final and binding decision of the Board.

C. Jurisdiction of the Board

The Board and/or arbitrator shall have jurisdiction only over any dispute which arises out of a grievance concerning either (1) discipline (including discharge) of the grievant(s), or (2) an alleged breach of the terms of this Agreement, including an interpretation or application of any of the terms of this Agreement, as it affects the grievant(s), when such grievance has been processed pursuant to the procedures set out in this Agreement.

1. Neither the Board nor the arbitrator may modify the terms of this Agreement or any other agreement between the Company and the Union.
2. Every grievance, except a grievance protesting the discharge of a Pilot by the Company, shall be heard first by a two-person Board, unless the Company and the Union agree to have the dispute heard directly by the three-person Board, or the neutral arbitrator, alone.
3. Every grievance protesting the discharge of a Pilot by the Company shall be heard by a three-person Board unless the Company and Union agree to have the dispute heard first by a two-person Board.

D. Decisions of the Board

1. A majority vote of the Board shall be competent to make a finding or decision with respect to any dispute submitted to it in accordance with this Agreement. Such finding or decision shall be final and binding upon the parties to the dispute.
2. If a two-member Board is unable to agree upon a finding or decision, it shall forthwith provide written notification to the Company and the Union. In such event, the Union may appeal the grievance to the full Board within thirty 30 Days following notification of the deadlock.

E. Procedural Rules

1. When a time limit in this procedure or the grievance procedure is measured from the date of receipt of a document and the document is sent by U.S. mail the date of receipt shall be seven (7) Days after the date the document was placed in the U.S. mail, as established by the postmark on the envelope, postage prepaid, to the address of the addressee last provided

to the party who is doing the mailing.

2. A grievance submitted to the Board shall include;
 - a. The Grievant's name, address, Status and date of hire
 - b. Union's statement of question(s) at issue
 - c. Union's statement of facts
 - d. Union's position
 - e. Union's statement of Company position (or copy of Company's grievance response.)
 - f. Copy of grievance. Two (2) copies of the material shall be submitted to the Board.
3. In the case of a grievance disputing the discharge of a Pilot by the Company submitted by mutual agreement to a two member Board, or any other grievance which the parties agree to be of sufficient urgency, the Board shall set a date for hearing no later than 30 Days from the date of its submission that is mutually acceptable to both the Company and the Union.
4. For grievances other than those provided for in paragraph E3.above, the Board shall meet during the second week of March, July and November of each year, providing that at such times there are cases filed with the Board for its consideration. The Board will continue in session until all matters before it have been decided, deadlocked, or by mutual agreement of the Board, deferred for later action, unless the parties otherwise mutually agree.
5. Board hearing shall be conducted in the city where the Company's flight operations are directed, unless the Company and the Union agree to an alternate location.
6. The parties may be heard either in person, by counsel, or by other representatives as they may respectively select.
7. Any disputes concerning discovery for a system board hearing shall be referred to the neutral arbitrator. The arbitrator's authority to require discovery shall be limited to production of relevant information, including documents and witness lists, but shall not extend to interrogatories, requests for admissions or discovery depositions, unless the parties mutually agree.
8. Findings and decisions of the Board shall be stated in writing

and in each case a copy of the findings and decision shall be furnished to the Company, the Union, and such Pilot or Pilots as are parties to the dispute.

9. If a dispute arises as to the interpretation of the findings or decision of the Board, then upon request of the Company or the Union, the Board shall interpret the findings and decision in light of the facts stated as evidence presented in connection with its record and hearing in the case.

10. Expenses of the Board for meeting places, if any, and those expenses incurred by reason of the participation of the arbitrator shall be borne one-half by the Company and one-half by the Union. The salary or compensation and expenses of the members of the Board, if any, shall be paid by the party selecting such member.

11. Each party shall bear its own respective expenses in the presentation of any case to the Board and/or arbitrator. Union Representative and witnesses who are Company employees may travel space available over the Company's system to attend Board proceedings. Such Company employees shall be provided time off to attend Board proceedings; however time off shall be without pay.

12. The Board shall keep a complete and accurate record of all matters submitted for its decision and of all findings and decisions made.

13. When the parties mutually agree, the record of all proceedings before an arbitrator or three-member Board shall be made by a Court Reporter whose fee shall be borne one-half by the Company and one-half by the Union. If the parties do not mutually agree, either party may arrange for a record of such proceeding by court reporter at its own expense. Should the other party then request a copy of the record, the Court Reporter fees will be shared as provided above.

14. In the event a Pilot chooses to be represented in a grievance or before the Board and/or arbitrator by a representative other than the representative designated by the Union, the Pilot shall be responsible for the fee, if any, of such representative of his choosing and for any expenses of the proceeding that the Company and the Union do not agree to share.

F. Neutral Arbitrator List

The Company and the Union shall maintain a panel of nine (9) neutral arbitrators who will serve as the third member of the Board or sole arbitrator, as applicable.

1. The selection of the panel shall be by mutual agreement between the Company and the Union.
2. The Company and the Union may mutually agree to change the membership of the panel at any time.
3. Further, either the Company or the Union may unilaterally remove an arbitrator from the panel, provided the arbitrator is not serving as the neutral arbitrator or member of any three-member Board for a proceeding that has commenced.
 - a. Neither the Company nor the Union may exercise a unilateral removal more often than once in any six (6) month period.
 - b. In the event there has been a unilateral removal, and the parties have not agreed upon a replacement within sixty (60) Days, the opening shall be filled in accordance with the procedure in paragraph F4. below:
 - c. Until a replacement is selected as provided for herein, the arbitrator who is being removed from the list will remain on the list.
4. The parties shall mutually petition the National Mediation Board for the names of three (3) arbitrators (1) who are members of the National Academy of Arbitrators, (2) who have experience arbitrating labor disputes involving airlines and airline employees, and (3) who have principal business offices west of the Mississippi river, for each unfilled position on the panel.
 - a. Upon receipt of the names, the Company and the Union shall attempt to mutually agree on an arbitrator from each group of three (3) names.
 - b. In the event the Company and the Union are unable to mutually agree upon an arbitrator from any group of three (3) names within thirty (30) Days of receipt of the names, the remaining open positions shall be filled utilizing the alternate strike method for each such group with the Company and Union alternating first strike.

G. Mediation

As an alternative to proceeding directly to arbitration, the parties may agree to use non-binding mediation. An agreement to mediate must also include an agreement upon the mediator for the case and an agreement with respect to payment of the mediator's fees.

SECTION 26: GENERAL

A. Payment for Equipment

1. Pilots will not be required to pay for the use of any equipment required for training or equipment used in scheduled operations. The Company shall provide all Pilots with Jeppesen charts (binders or covers not included) for all FAA-approved destinations and alternates in the Company's operations specification.
2. Manuals issued to Pilots by the Company will be paid for by the Company. Each Pilot must maintain his manuals in good condition at all times. Any Pilot who Transitions to another aircraft-type or terminates employment shall return previously issued manuals in current, good condition, normal wear and tear excepted.

B. Personnel and Training Files

1. The Company shall maintain Personnel and Training files on each Pilot which shall contain, at a minimum, all documents and materials required to be maintained by the Pilot Records Improvement Act.
2. The Personnel and Training Files maintained by the Company on a Pilot will be open for his inspection and photocopying in conjunction with an official of the Company at any time during office hours and upon reasonable notice. A Pilot may photocopy a few pages (up to fifteen) of his file at no cost. However if a Pilot requests a larger number of copies or of his complete file, the Company may charge \$0.25 per page for pages in excess of 15 up to a maximum of \$50.00.
3. Disciplinary notices, and records of discussion with the Pilot that are critical of the Pilot's behavior shall not be placed in a Pilot's Personnel file without the Pilot having been given an opportunity to review the record and permitted to provide a written response that will also be included in the record.
4. Anything of a derogatory nature, including disciplinary notices, will be disregarded in assessing discipline for a matter that is unrelated to the prior notices or other records of events that occurred more than eighteen months prior to the event currently being investigated.

C. Accident Investigation

1. A Pilot participating in an aircraft accident investigation involving a Company aircraft as a member of an NTSB team at the Company's request shall do so without Loss of Pay.
2. A Pilot, involved in an accident, incident, or certificate action, and who is available, able and legally qualified to fly, shall not be withheld from service with Loss of Pay except under the procedures of the Discipline Section 23 of this Agreement.

D Orders in Writing

Pilot Base Assignments, promotions, demotions, Furloughs, recalls, and leaves of absence shall be reflected in written Company records.

E. Copy of the Agreement

The Union shall print sufficient copies of the Agreement to provide a copy to each existing Pilot and each new hire Pilot. The Company will share equally with the Union the cost of printing and shall provide copies to all Pilots from the supply provided by the Union.

F. Use of Gender Specific Pronouns

Masculine pronouns used herein shall include the feminine, and feminine include the masculine, unless specifically provided for otherwise.

G. Effect of Superseding Law

Should any part of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation, act of any governmental agency, or decree of court, such invalidation of such provision shall not invalidate the remaining provisions of this Agreement and they shall remain in full force and effect.

H. Use of CVR, FDR, EFB, and QAR Information

Except by written mutual agreement of the Company and the Union; or as required by law; data obtained from the Cockpit Voice Recorder (CVR), Flight Data Recorder (FDR), Electronic Flight Bag (EFB) and/or Quick Access Recorder (QAR) will not be disclosed to any third party. If the Company is required by law to disclose CVR, FDR, EFB and/or QAR data, it will notify the Union in writing with a copy of the data that is disclosed. Cockpit Voice Recorder (CVR), Flight Data Recorder (FDR), Electronic Flight Bag (EFB) and/or Quick

Access Recorder (QAR) information shall not be used in a punitive or disciplinary manner against a Pilot.

I. Pass, Interline and Jumpseat Policies.

1. Pilots shall have all the air travel pass privileges that are made available to the employees in any other Company employee group, including, but not limited to:
 - a. Travel on the Company's scheduled flights;
 - b. Pass and reduced rate travel on other airlines;
 - c. Post-employment travel as a Retiree, including the Retiree's spouse; and
 - d. The ability to sponsor pass travel for relatives and friends, both while an employee and after employment ceases.
2. When Company-issued identification is required for any such air travel, the Company will provide it.
3. The Company shall make available to Pilots a summary of its interline air travel agreements and shall update the summary no less frequently than annually.
4. The Company shall publish and make available to Pilots its rules and regulations for pass and non-revenue air travel, including eligibility criteria, travel etiquette (dress code, courtesies expected, etc.), pass travel restrictions, and procedures for obtaining pass and reduced-rate travel.
5. The cockpit jumpseat of Company aircraft is, by FAA regulation, limited to use by those on the Company's approved jumpseat list. When the jumpseat is not in use or reserved for FAA or Company purposes, the Captain of the aircraft shall have the final authority over occupancy of the seat by any eligible person as provided in the FAR. The Captain may authorize any person Assigned to the jumpseat who is not required to be in the jumpseat in order to accomplish his purpose for being on the flight (such as an FAA inspector, Line Check Airman or dispatcher maintaining currency) to utilize a cabin seat, if one is available.
6. The Company will continue to participate in the CASS program, at no cost to the Pilots.

J. Reimbursement for Passport Renewals, Inoculations, Visas and Photos

The Company shall reimburse any U.S. citizen Pilot for visas (including photographs, if required) and inoculations he obtains because the bidlines for his bidding group may require him to fly to a foreign country where a visa or inoculations are required or because he is given a special Assignment to such a foreign country, as for example, in the case of an aircraft delivery flight. The Company will reimburse only for Pilot passport renewals on a non-expedited basis.

K. Moving

1. A Pilot who is Displaced from one Base to another, or Furloughed at one Base and recalled at another, shall be eligible for moving expense assistance from the Company if he moves his actual residence, and that of his immediate family if he was living with them before the new Assignment, more than 100 miles and completes such move within nine months of the commencement of his Assignment at his new Base. To qualify for moving assistance, the move must be to a residence that is within 100 miles of his new Base. The first Base Assignment of a Pilot after completion of training shall not qualify as a Displacement.
2. A Pilot with less than five years of Seniority who is eligible for moving expense assistance shall be provided the following:
 - a. Truck or trailer rental plus necessary moving accessories, pads and handcarts. The Company may specify the Company from which the equipment will be rented.
 - b. Payment for the automobile mileage, not to exceed the miles actually driven, of two vehicle(s) owned by the Pilot or another member of his immediate family making the same move for the distance that is the lesser of the distance between his former residence and his new residence or the distance between his former Base and his new Base. The mileage rate shall be the rate allowed by the Internal Revenue Service for favorable moving expense tax treatment. The distance will be established by the Pilot's AAA trip tick for the move, if one is obtained by the Pilot; otherwise, reference will be made to the Rand McNally road atlas or other similar mileage source for the shortest reasonable driving route between the two points.

- c. A relocation allowance of \$200.00 to cover miscellaneous expenses incidental to moving, such as motels and meals. If the distance from the old Base to the new Base is more than 500 miles, the Pilot will be paid an additional \$200 for each additional 500 miles or portion thereof.
3. A Pilot with five (5) years of Seniority who is eligible for moving expense assistance shall be provided the following:
 - a. The actual documented costs of moving the household effects and personal good of the Pilot and the members of his family living with him at the residence at which he lived, to a residence within 100 miles of his new Base if the distance between the two residences is more than 100 miles, including the cost of moving insurance, storage, packing, drayage, and unpacking of his furniture and household effects up to a maximum of 12,500 pounds.
 - b. Payment for the automobile mileage, not to exceed the miles actually driven, of two vehicle(s) owned by the Pilot or another member of his immediate family making the same move for the distance that is the lesser of the distance between his former residence and his new residence or the distance between his former Base and his new Base. The mileage rate shall be the rate allowed by the Internal Revenue Service for favorable moving expense tax treatment. The distance will be established by the Pilot's AAA trip tick for the move if one is obtained by the Pilot; otherwise, reference will be made to the Rand McNally road atlas or other similar mileage source for the shortest reasonable driving route between the two points.
 - c. Meals and hotel rooms expense incurred enroute to the new Base provided that at least 350 miles of progress towards the new Base is made for any Day claimed up to a maximum of \$200 per Day. If the Pilot's prior residence was more than 100 miles further away from his new residence than his prior Base, then mileage based moving expenses shall be calculated from the prior Base, rather than from the prior residence.
4. A Pilot may drop up to four (4) Duty periods without Loss of Pay if required to facilitate the move.

L. Commuter Policy

1. General

a. Pilots are responsible for reporting to Assignments in a timely manner and rested for a full Duty period. The following provisions are not intended to relieve Pilots of that responsibility. A Pilot who claims illness or injury from a location that is more than 100 miles away from his Base may be required to submit satisfactory evidence to his Chief Pilot that he is unable to report for that reason.

b. A Pilot who is unable to report for Duty as a result of a delay or cancellations due to flight schedule disruptions or the unanticipated unavailability of a non-revenue seat shall notify Crew Scheduling in the manner specified herein (see L.3.b/d and e below), shall comply with the procedures for listing on an approved flight (see L.2. below), and shall report to the departure gate for the flight (see L.3.a below). If all of the above requirements are met, the Pilot shall not be subject to any disciplinary action as a result of his inability to report on time.

c. This commuter policy applies only if the Pilot commutes on Horizon Air or Alaska Airlines, carriers for which the Company has direct access to their computer reservation systems. A Pilot who commutes on any other carrier is governed solely by L.1.a above.

2. Listing for Travel

a. Any Pilot commuting to an Assignment must be listed in the computer reservation system as a non-revenue passenger. The Pilot must be listed on an appropriate flight not more than forty-eight (48) but not less than twenty-four (24) hours in advance of the scheduled departure time for the flight he expects to use to commute to work. This flight is designated by the Pilot as his primary flight.

b. Pilots may only list for travel on flights which have seats available for sale to the public during the time period described in L.2.a above.

c. The primary flight on which the Pilot elects to list must be scheduled to arrive at the airport where he is Assigned to commence his Trip in advance of his show time. There must also be at least one 'back-up' flight scheduled to depart from the same airport later than the primary flight on which he is

listed. This back-up flight must also be scheduled to arrive prior to his show time.

3. Travel Procedures

a. Pilots commuting to an Assignment must arrive at the designated gate for the primary flight on which they are listed at least thirty (30) minutes prior to the scheduled departure time of that flight.

b. After arriving at the departure gate, if the Pilot becomes aware of a delay/cancellation or the unavailability of a non-revenue passenger seat on his primary flight, he will immediately notify Crew Scheduling. The Pilot will provide the flight number and departure time of his back-up flight(s) and discuss any other possible travel alternatives with the scheduled back-up flight.

c. Following the delay or cancellation of a primary flight the Pilot will report to the departure gate of his back-up flight as soon as practical.

d. As soon as the Pilot becomes aware that he will not be able to report for Duty at or before his show time due to flight delays, cancellations or non-revenue seat availability he will immediately contact Crew Scheduling.

e. The Pilot will make every effort to report to the location at which he was scheduled to begin his pairing as soon as possible following the flight cancellation. The Pilot and crew scheduler may mutually agree to an alternate location to which the Pilot will report.

4. Reassignment Following a Missed Report Time

a. Crew Scheduling will reassign a Pilot to his original Trip as soon as possible when a Pilot reports for Duty following a missed report time pursuant to the terms and conditions of this commuter policy.

b. If the Pilot's original pairing does not return to the location at which he was scheduled to report for Duty he may be Assigned to any other pairing that is scheduled to be completed at the same location and at a time earlier than or the same as his original pairing.

c. Nothing in this section shall prevent the Pilot and crew scheduler from mutually agreeing to any other reassignment.

5. Compensation

Pilots who are unavailable for Duty pursuant to the terms and conditions of this Section will be considered to be on time off without pay. The Pilot's Bid Period guarantee will be reduced by an amount equal to the Scheduled Credit Hours for all Assignments missed.

M. Uniforms

1. Wearing of the Uniform.

A Pilot shall wear the standard uniform(s) as prescribed in Company regulations in the Pilot's Flight Operations Manual while on Flight Duty and during other Duty representing the Company in public when authorized by the Company.

2. Composition of the Uniform.

The Company shall set the standard uniforms to be worn by Pilots, including the items supplied by the Company, those furnished by Pilots, and any optional items. The Company may modify the uniform, but before doing so, shall discuss the proposed changes with the Union and consider the Union's input.

3. Initial Issue Uniform Fee.

As a condition of its initial employment offer to a Pilot, the Company shall require payment of an amount that does not exceed the Company's cost of the initial-issue items he selects.

a. The Company will allow the Pilot to pay a portion of the initial-issue fee by payroll deduction after he is employed provided the Pilot signs a written agreement allowing the Company to deduct any amount still owing on termination of employment from his final paycheck. When payroll deduction is used, a \$50.00 initial payment shall be due at the time of uniform measurement; the deductions for the remainder may not exceed \$25.00 per bi-weekly pay period. A Pilot will purchase his initial uniform from a source designated by the Company.

b. The Company will furnish initial jacket "wing" insignia, hat emblem, shoulder boards, and tie tack to each Pilot at no charge.

4. Alteration.

Company shall pay for the initial alterations required to properly

fit a Pilot in a new uniform. The Company may designate a tailor to measure the Pilot and perform the alterations or allow the Pilot to select a tailor. If the Company allows the Pilot to select his own tailor, it may limit the number of fittings it will pay for, and shall require the Pilot to submit an estimate of costs in advance, and the submission of an invoice or paid receipt for payment or reimbursement. Subsequent alterations shall be at the Pilot's expense.

5. Uniform Replacement

Each Pilot shall maintain his uniforms so that while on Duty, the uniform is in good condition, and fits properly. Each Pilot is responsible for replacing worn items when necessary so as to present a professional appearance while on Duty.

- a. On January 1 of each year the Company shall credit the uniform replacement bank of each Pilot with an amount necessary to bring the balance up to a maximum of \$200 according to the following schedule:

<u>Longevity</u>	<u>Maximum Credit to Bank</u>
Less than 6 months	\$0
6-9 months	\$50
9-12 months	\$125
More than 12 months	\$200 b.

- b. Amounts in each Pilot's uniform replacement bank may be used by such Pilot to pay one hundred percent (100%) of his uniform alterations incurred and supported by receipts, and one hundred (100%) of the cost of replacing any basic or optional item(s) at the uniform source designated by the Company. Pilots shall pay for replacement insignia items unless defective.

- c. The price of individual items is available from Company's Uniform Department. A Pilot is not required to turn in a used item in order to receive the replacement allowance.

6. Uniform Maintenance.

Each Pilot is responsible for cleaning his uniform so that it appears clean and pressed so as to present a professional appearance while on Duty. A Pilot shall be paid \$7.50 per pay period (= \$16.25 per month) to defray the costs he incurs of laundering, cleaning and pressing of his uniform pieces.

7. Upgrade Uniform Modifications.

When a Pilot Upgrades the following modifications will be made to the uniform at no cost to the Pilot:

- a. The First Officer hat frame is exchanged for a Captain's hat frame.
- b. The three-striped epaulets are exchanged for four-striped epaulets.
- c. An additional strip is added to each sleeve of the uniform jacket.

8. Optional Leather Jacket Benefit.

A Pilot who was not provided the Leather Jacket Purchase Option provided under this Agreement may turn in his Jacket and Raincoat and receive a \$250 credit toward the purchase of a Leather jacket. If such a Pilot has already purchased a leather jacket, he must show proof of such purchase along with his turn in items to receive the credit.

9. Union Pin.

A Pilot may wear a Union pin, provided its display is consistent with the uniform policy in the Company's Flight Operations Manual.

N. Co-Bases

The Company may designate two or more airports as co-Bases, provided such airports are within a 50-mile radius. Before the Company establishes its first co-Base it will notify and meet with the Union for the purpose of establishing the operational conditions for affected Pilots. If the Company and the Union are unable to agree on these conditions within three (3) months, either may request arbitration. The arbitration will be conducted in accordance with the Interest Arbitration process described in Section 10 New Aircraft Subsections B and C, of this Agreement (with the exception of the 3rd and 4th sentences of paragraph C which are inapplicable to resolution of co-basing). The arbitrator's decision will not diminish the provisions set forth below. The Company may open a co-Base after the three (3) month negotiating period, once arbitration has been requested. In such event, the following conditions will be followed until the arbitrator issues his decision:

1. A Pilot will be relieved from Duty at the same airport from which his Duty commenced. The Company will provide transportation and give Deadhead credit to a Pilot for the

transportation time if the Duty portion of the Trip ends at the co-Base airport other than one from which it originated.

2. If the co-Base is established where there is already a Base in operation (including a new Base opened after the effective date of this Agreement) the following will apply to any Pilot who is Assigned to the Base before the co-Base has been designated:

- a. A Pilot who is Assigned Airport Reserve, or a Trip Assignment at the co-Base with less than twelve (12) actual hours off Duty since his last Trip, will be provided a hotel room convenient to the co-Base and twelve (12) hours of per diem upon request, if the driving distance to the co-Base is more than 25 miles further than his driving distance to his Base.
- b. If the driving distance to the co-Base is further than to the Pilot's regular Base, upon request the Company will reimburse the Pilot for driving the excess miles at the Company's standard business travel reimbursement rate.
- c. The Company will reimburse a commuting Pilot for his cost of transportation from the Base to the co-Base if he commuted to the Base prior to the establishment of the co-Base and there is non-stop scheduled air service to the Base, and there is not non-stop scheduled air service to the co-Base, from the airport from which he commutes. The Company may designate the mode of transportation and may designate a Company (e.g. taxi, limousine service, rental car) for which it will reimburse. When the Company designates a mode of transportation for the Pilot to use, it shall endeavor to establish a direct billing relationship so that Pilot will be relieved of the requirement to pay and request reimbursement from the Company.

3. Flying from a co-Base will be published in separate bidlines, to the extent practical and consistent with the provisions governing the construction of bidlines in the Scheduling Section.

SECTION 27: BENEFITS

A. Medical, Dental, Vision

The Company shall continue to provide a comprehensive health plan, providing medical, dental, and vision benefits to Pilots and their eligible dependents during the term of this Agreement.

B. Life and AD&D Insurance

The Company shall provide to each Pilot life insurance in an amount equal to 1000 times his Block Hour rate up to the maximum amount of life insurance that can be provided as a non-taxable employee fringe benefit under the US Internal Revenue Code. In addition, Accidental Death and Dismemberment insurance shall be provided in the same maximum amount.

C. Retirement

Pilots will participate in the 401(K) plan as offered to other employees, except that any Company match of Pilot contributions will not be less than the following:

Date of Signing	10%
Date of Signing + 1 year	8%
Date of Signing + 2 years and beyond	6%

D. Long Term Disability (LTD) Insurance

The Company will continue to provide an additional contribution of 1.5% of each Pilot's rate of pay, as set forth in Appendix A, and will continue to pay the premium for the Long Term Disability Insurance by payroll deduction from the pay of each covered Pilot.

E. Performance Based Pay (PBP)

Pilots covered by this Agreement shall be included in the Alaska Air Group PBP plan with a participation rate of 5%.

F. IBT Benefits Committee

The Union shall appoint a Benefits Committee consisting of no more than three (3) Pilots. It shall be the responsibility of the Benefits Committee to understand the provisions of all benefit plans applicable to Pilots and to advise the Company of any problems in the administration of these plans reported to it by Pilots. Prior to the Company's annual review of each of its benefit plans affecting Pilots, the Company shall provide the Benefits Committee notice of any proposed changes and an opportunity to suggest alternatives.

G. Plan Conditions

1. The Company will continue to provide to Pilots the medical, dental and vision benefits of its health plan on the same basis as to other Company employees. There will be no changes made to coverages or to co-payments or deductibles that materially reduce the benefits provided, taken as a whole, or to employee cost without the concurrence of the Union. Neither party shall be unreasonable in the application of this paragraph. The employee cost for dependent coverage shall continue to be adjusted so as to provide the Company an anticipated recovery of approximately 50% of its cost for dependent coverage expenses.

2. Pilots may participate in the Company 401k Plan on the same basis as other employees.

a. If the specified employer matching contribution to the Company's 401(k) plan is reduced to less than currently provided in subparagraph.C, above , or if amendments are made to the Plan (other than amendments required to maintain the tax qualified status of the plan), the Union may elect to establish an alternate plan that continues the employer match, as prescribed in subparagraph.C. above, and the pre-amendment plan terms (except with respect to legally required changes), provided that such plan is structured to meet any applicable legal requirements and creates no greater cost or liability for the Company than would have been the case if the pre-amendment plan had continued in effect. The Company will transfer all Pilot accounts to the alternate plan, if legally possible.

b. If the Company introduces another Retirement program in conjunction with a reduction in matching contribution or amendment to the plan, it will offer the same Retirement program to Pilots. However, should such new Retirement program also entail the reduction of matching, the Union must choose between the transfer option above and accepting the reduced match and the new Retirement plan.

SECTION 28: UNION REPRESENTATION

A. Bulletin Boards

The Company agrees to provide space in an area accessible to Pilots at each Pilot Base on which the Union may place a bulletin board to be used for the posting of notices relating to Union meetings and other Union matters.

1. The Union will assume responsibility for any bulletin boards in place and being used for the above purpose on the effective date of this Agreement.
2. Notices posted on such bulletin boards shall not contain political or inflammatory material or material that is derogatory with respect to the Company or its employees.
 - a. The Union EXCO Chairman, or his designee, is responsible for screening and posting the materials under glass.
 - b. Should the Company find any material objectionable, it may request that it be removed from the boards. Should that occur, the EXCO Chairman or his designee shall cause that to occur in a timely fashion.
3. In addition, the Union may place a Union Information Binder at each Base.
4. Union information may be distributed through the mail boxes upon request and subject to Company discretion. All materials proposed for distribution must be approved by the Chief Pilot or his designee prior to being placed in the mail boxes.

B. Address List

The Company shall provide to the Union each quarter a list of the most current addresses and phone numbers of Pilots covered by this Agreement.

C. Union Access

Union Representatives shall have access to Company facilities for the purposes of dealing with representatives of the Company concerning issues arising under this Agreement. To facilitate such meetings, advance notice shall normally be provided. The visit shall not interfere with Company operations.

D. Union Committees

The Union periodically will appoint committees to interface with the Pilots and Company representatives as provided in this Agreement. The Vice President, Flight Operations shall be provided a list of existing committees and rosters of their members.

E. Right to Union Representation

A Pilot who the Company requires to be interviewed or questioned with respect to any matter that could result in discipline shall be entitled to Union representation if the Pilot so requests.

F. Access to New Hire Pilots

Union representatives shall be afforded the time and opportunity to speak to new hire Pilots for up to sixty (60) minutes during their initial ground school.

G. Transportation for Union Representatives

The Union shall be provided up to two (2) Company business passes per month for staff representatives for the purpose of official business related to the administration of this Agreement.

H. Time Off for Union Business

1. Pilots normally shall be granted leaves for Union business, unless there are multiple requests for the same period, provided that a request is submitted at least one full Bid Period prior to the beginning of the Bid Period during which the leave is requested to begin.
 - a. The request shall be submitted to the Chief Pilot or his designee by the Union.
 - b. Such request shall include the name(s) of the Pilot(s), the date and time of release from Duty, the date and time of return to Duty, and the specific business for which release is requested.
2. Requests for Union business leaves submitted later than required for approval under Subsection 1 above shall be approved when staffing levels permit.
 - a. Requests shall be submitted to the the Chief Pilot or his designee at least ten (10) Days prior to the date of the first Trip, or first Trip in a series of trips, that would be dropped.
 - b. Such requests shall include the name(s) of the Pilot(s)

the specific trips for which release is requested, and the specific business for which release is requested.

c. Approval of such requests shall be on a "Trip by Trip" basis, given no less than twenty-four (24) hours prior to the Trip.

3. For any leave of one (1) month or more, the Pilot shall not be paid or retained in an active employment status and no reimbursement shall be due from the Union.

4. For a leave of less than one (1) month, the Pilot shall remain in a pay status. The Union shall pay the Company an amount determined by adding the Pilots pay for the Days he was excused from work for Union business leave plus an additional charge of 35% of the foregoing total to cover payroll based taxes, and benefits.

a. The Company shall invoice the Union as of the last Day of each month.

b. The Union shall pay the Company within forty-five (45) Days of receipt of the Company's invoice.

5. Longevity shall continue to accrue during a leave for Union business.

6. The maximum number of weeks of a Pilot's schedule during which leave for Union business will be granted in any calendar year pursuant to this section shall be twenty-six 26.

7. Nothing in this section will preclude Trip trading in accordance with the provisions of this Agreement for the purpose of allowing a Pilot time for Union business.

I. Union Leave

Upon request of the Union, a Pilot shall be granted leave to hold an elected Union position. Such leave shall not exceed the term of the office. The Company shall be notified at least sixty (60) Days before the commencement of, and the return date from, such leave.

SECTION 29: UNION SECURITY

A. Dues and Service Fees

1. It shall be a condition of employment that all Pilots of the Company covered by this Agreement, who are members of the Union in good standing on the effective date of this Agreement, shall remain members in good standing, and those, who are not members on the effective date of this Agreement, shall, become members in good standing or, in the alternative, tender to the Union a monthly sum set by the Union, such sum to be recognized as a "Service Fee".
2. It shall be a condition of employment that all Pilots of the Company covered by this Agreement and hired on or after its effective date shall, on or before the ninetieth (90th) Day following the beginning of such employment, become and remain members in good standing in the Union, or in the alternative, tender to the Union a monthly sum set by the Union, such sum to be recognized as a "Service Fee". Should a new Pilot elect not to become a member of the Union but only to pay the Service Fee, he shall also be required to pay an Initial Service Fee which shall be the equivalent of the standard initiation fee.
3. The Company will furnish the Union information needed to monitor the accuracy of payment to the Union including names, addresses, and social security numbers of Pilots; New Hires including hire dates; terminations including termination dates; Furloughs including Furlough dates; recalls including recall dates; leave of absences including leave dates; and return from leave of absences including return dates.

B. Dues and Service Fee Check-off

1. The Company shall deduct from the wages of any Pilot covered by this Agreement, said Pilot's dues as a member of the Union, or service fees if not, and any assessments that are specified as either (a) a fixed dollar amount; or (b) a percentage of the same compensation amount on which the Pilot's dues or service fees are calculated, upon receiving the employee's voluntary and individual written authorization for the Company to make such deductions.
2. Deduction of dues, service fees, or assessments shall be made from the first Minimum Guarantee Pay biweekly pay period

pay Day of the month for which the dues are due provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the Pilot or required by law have been satisfied and the Pilot has received the minimum wage required by law. The Union will advise the Company of the amount of dues to be deducted, which initially will be 1.56% of the monthly equivalent guarantee as referenced in Section 5 Compensation, Subsection B or \$15.00, whichever is greater, the amount of guarantee to be determined by that guarantee held by the Pilot on the date of deduction.

3. A properly executed authorization will become effective not later than the next month after it is received by the Company's payroll manager. A signed, written revocation shall take effect the next month after it is received.

4. The Company shall deduct said employee's dues from the first pay Day of the month in which the employee is recalled from Furlough or returns from a leave of absence. In the event the employee is recalled from a Furlough or returns from a leave of absence after the dues have been deducted for the month, the Company shall make a double deduction the following month.

5. The Company shall pay over to the proper officers of the Union the wages withheld for dues or service fees. The amount withheld shall be reported and paid to the Union at least ten (10) Days prior to the end of the month in which the deductions were made.

C. Leave of Absence

Pilots, who are members of the Union, shall pay membership dues as set forth herein except that payment for membership dues shall not be required as a condition of employment during leaves of absence without pay in excess of thirty (30) Days, or during periods of permanent transfer to a classification not covered by this Agreement.

D. Indemnifying the Company

The Union agrees that it shall indemnify the Company and save the Company harmless from any and all claims which may be made by the Pilot or Pilots against the Company by virtue of the wrongful application or misapplication of any of the terms of this Section.

E. Recovery of Missed Dues

In the event the Company fails to deduct an employee's dues or service fee in any month as described above in this section, the Company shall deduct a double deduction, or whatever amount the Company failed to deduct from the employee's wages, in the month following that in which the deduction was missed.

F. Termination

In the event of termination of employment, there shall be no obligation upon the Company to collect dues until all other deductions have been made.

G. Removal of a Pilot From the Payroll

The Union agrees notice shall be given the Company at least thirty (30) Days before the Company is required to remove a Pilot from employment by reason of his failure to maintain his membership or service fee status in good standing with the Union in accordance with subparagraph A of above.

SECTION 30: NO STRIKE

A. No Strikes

During the term of this Agreement, there shall be no strikes, concerted work stoppages, concerted slow downs, picketing (other than informational picketing), honoring of picket lines, sympathy strikes, or other concerted interference with the operation of the Company by the Union, its agents or representatives or by Pilots.

B. No Lockouts

There shall be no lockouts by the Company during the term of this Agreement.

SECTION 31: SOLE AGREEMENT

A. This Agreement will supersede all existing or previously executed agreements by and between the Company and the Union or any other labor organization or individual with respect to the rates of pay, benefits, rules, or working conditions specifically covered by the provisions of this Agreement in accordance with the Railway Labor Act, as amended.

B. The parties acknowledge that, during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter appropriate for collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

C. During the life of this Agreement the parties may bargain collectively about the terms of successor collective bargaining agreement as set forth in this Agreement.


D. This Agreement may be added to, deleted from or modified only through the voluntary mutual consent of the parties, and any agreement reached shall be reduced to writing and signed by the parties as an amendment to this Agreement.

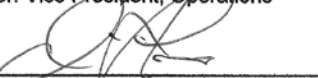
SECTION 32: DURATION**A. Effective Dates of the Agreement**

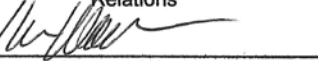
This Agreement shall become effective on the Date of Signing (DOS), unless specifically noted otherwise, and shall continue in full force and effect until DOS+60 months and shall renew itself until each successive DOS thereafter until written notice of an intended change is served in accordance with Section 6, Title 1, of the Railway Labor Act, as amended, by either party hereto, but not more than 18 months, prior to DOS+60 months.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the 14th day of December, 2010.

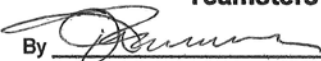
Horizon Air Industries, Inc.


By 
Eugene Hahn
Sr. Vice President, Operations


By 
Chris Lewless
Managing Director, People and Labor
Relations


By 
Herman Wacker
Managing Director, Labor and Employment
Law

International Brotherhood of Teamsters

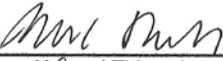
By 
David Bourne
Director, Airline Division


By 
Scott Hegland
IBT International Representative

By 
Joe Muckle
President, Local 1224

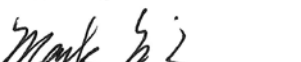
By 
John Herron
Business Agent, Local 1224

Horizon Air and QXTeamsters Negotiating Committees

By 
Howard Thiersch
Senior Attorney

By 
Gordon Smith
SEA Assistant Chief Pilot

By 
Richard Stewart, Jr.
IBT Negotiating Committee Chairman

By 
Mark Niles
IBT Negotiating Committee Member

APPENDIX A: PAY RATES

A. Hourly Pay rates for 65-76 seat turbojet Captains beginning on the Effective Date:

Longevity	Effective Date	Effective Date Plus 12 months	Effective Date Plus 24 months	Effective Date Plus 36 months	Effective Date Plus 48 months
1st year	70.73	72.71	72.71	TBD	TBD
2nd year	72.92	74.96	74.96	TBD	TBD
3rd year	75.15	77.25	77.25	TBD	TBD
4th year	77.50	79.67	79.67	TBD	TBD
5th year	79.89	82.13	82.13	TBD	TBD
6th year	82.37	84.68	84.68	TBD	TBD
7th year	84.90	87.28	87.28	TBD	TBD
8th year	87.52	89.97	89.97	TBD	TBD
9th year	91.07	93.62	93.62	TBD	TBD
10th year	94.72	97.37	97.37	TBD	TBD
11th year	97.64	100.37	100.37	TBD	TBD
12th year	100.67	103.49	103.49	TBD	TBD
13th year	103.79	106.70	106.70	TBD	TBD
14th year	106.99	109.99	109.99	TBD	TBD
15th year	110.30	113.39	113.39	TBD	TBD
16th year	113.61	116.79	116.79	TBD	TBD
17th year	117.01	120.29	120.29	TBD	TBD
18th year	120.52	123.89	123.89	TBD	TBD

B. Hourly Pay rates for 65-76 seat turboprop Captains beginning on the effective date.

Longevity	Effective Date	Effective Date Plus 12 months	Effective Date Plus 24 months	Effective Date Plus 36 months	Effective Date Plus 48 months
1st year	65.06	66.88	66.88	TBD	TBD
2nd year	67.08	68.96	68.96	TBD	TBD
3rd year	69.14	71.08	71.08	TBD	TBD
4th year	71.29	73.29	73.29	TBD	TBD
5th year	73.50	75.56	75.56	TBD	TBD
6th year	75.77	77.89	77.89	TBD	TBD
7th year	78.11	80.30	80.30	TBD	TBD
8th year	80.52	82.77	82.77	TBD	TBD
9th year	83.78	86.13	86.13	TBD	TBD
10th year	87.15	89.59	89.59	TBD	TBD
11th year	89.83	92.35	92.35	TBD	TBD
12th year	92.62	95.21	95.21	TBD	TBD
13th year	95.49	98.16	98.16	TBD	TBD
14th year	98.43	101.19	101.19	TBD	TBD
15th year	101.48	104.32	104.32	TBD	TBD
16th year	104.52	107.45	107.45	TBD	TBD
17th year	107.65	110.66	110.66	TBD	TBD
18th year	110.88	113.98	113.98	TBD	TBD

C. Hourly Pay rates for 65-76 seat Jet First Officers beginning on the Effective Date:

Longevity	Effective Date	Effective Date Plus 12 months	Effective Date Plus 24 months	Effective Date Plus 36 months	Effective Date Plus 48 months
1st year	28.52	29.32	29.67	TBD	TBD
2nd year	41.98	43.16	43.67	TBD	TBD
3rd year	43.22	44.43	44.96	TBD	TBD
4th year	44.45	45.69	46.24	TBD	TBD
5th year	45.69	46.97	47.53	TBD	TBD
6th year	46.92	48.23	48.81	TBD	TBD
7th year	48.15	49.50	50.09	TBD	TBD
8th year	49.39	50.77	51.38	TBD	TBD

D. Hourly Pay rates for 65-76 seat turboprop First Officers beginning on the Effective Date:

Longevity	Effective Date	Effective Date Plus 12 months	Effective Date Plus 24 months	Effective Date Plus 36 months	Effective Date Plus 48 months
1st year	28.52	29.32	29.67	TBD	TBD
2nd year	38.62	39.70	40.18	TBD	TBD
3rd year	39.76	40.87	41.36	TBD	TBD
4th year	40.89	42.03	42.54	TBD	TBD
5th year	42.03	43.21	43.73	TBD	TBD
6th year	43.17	44.38	44.91	TBD	TBD
7th year	44.30	45.54	46.09	TBD	TBD
8th year	45.44	46.71	47.27	TBD	TBD

****Effective Date wages include 1.5% for LTD (Long Term Disability).**

****Wages for years two (2) through five (5) will be set pursuant to the Agreement between the Company and the Union executed July 16, 2010.**

New Aircraft Rates

Turbo-prop:	65 - 76		77 - 100
	Base Rates	+ 15%	
Jet:	65 - 76	77 - 95	96 – 127
	Base Rates	+ 10%	+ 5%

APPENDIX B: FATIGUE POLICY

A. Crew Fatigue Policy

(Reprinted from Flight Operations Manual, Section 2 [8/16/10])

When a duty period begins, pilots are assumed to be sufficiently rested to enable them to remain on duty to the limits imposed by the FARs and Collective Bargaining Agreement (CBA). Reserve pilots are assumed to be sufficiently rested to enable them to remain on duty throughout their scheduled reserve period or assigned trip (or both).

Ultimately, it is the pilot's responsibility to determine adequacy of rest, level of fatigue, and ability to remain on duty. If a pilot feels he is too fatigued to fly, he shall contact Crew Scheduling Services. Removal from a trip assignment due to fatigue will not be cause for disciplinary action and is accomplished as follows:

- A pilot who determines he is too fatigued to fly is not assigned sick leave unless sick. For example, if a pilot advises Crew Scheduling Services he is too fatigued as a result of a cold, the pilot is placed on sick leave.
- If a pilot advises Crew Scheduling Services he is too fatigued to fly for reasons other than physical illness, the pilot is removed from the trip without disciplinary action. Pay and credit shall be adjusted to reflect the amended pairing as actually flown per the CBA.

When the pilot is removed from a trip due to fatigue, Crew Scheduling Services may, per FAR and CBA limitations, assign the pilot as follows:

- Deadhead to base and be released,
- Be released to rest at the out station and, after rest, deadhead or fly to rejoin the original trip, or deadhead to base and be released,
- Be released in base and, after rest, deadhead to reconnect with the original trip, or fly from base on the original trip, or
- Deadhead to the next layover location to resume the original pairing after rest.

The pilot may request which of the above options is his preference at the time of removal from the trip. Crew Scheduling Services will attempt to accommodate the request, but may not be able to do so in all instances.

NOTE: For all options outlined above that refer to the original trip, Crew Scheduling Services' objective will be to return the pilot to the

original trip. If the pilot cannot reasonably be returned to the original trip, the pilot may be assigned to another trip or assigned to standby (reserve for a reserve line holder) for the remaining day or days of the original trip.

Crew Scheduling Services notifies the Chief Pilot's Office of any removals for fatigue. A pilot who has called off his trip due to fatigue shall, upon request, provide the Chief Pilot or designee with his account of the event. The purpose of this debrief is to identify and address any systemic conditions that caused the fatigue.

APPENDIX C: TRAINING CONTRACT EXCERPT



FLIGHT CREW POLICY HANDBOOK

TRAINING CONTRACT

The Training Contract will be required of all individuals regardless of assignment with less than five (5) years seniority at the commencement of initial ground training. Individuals displaced by the retirement of their equipment are not required to sign a Training Contract for the replacement equipment.

Sample Training Contract

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